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ETHNIC RELATIONSHIPS IN THE CONSTRUCTION
INDUSTRY ON THE ISLAND OF MONTREAL

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INTRODUCTION

The work covered in this study was designed to determine the ethnic structure of the construction industry in the Metropolitan Montreal area, with special reference to the French Canadian, Anglo-Saxon, Italian and Jewish groups in the industry.

More specifically, the study attempted to ascertain the following facts and relationships:

- (1) The ethnic composition of the major work elements which, together, constitute the construction industry.
- (2) The extent to which specialization can be related to ethnic factors.
- (3) The relationships between the major ethnic groupings, the ways in which they work together, and the extent to which their interrelationships can be related to their ethnic make-up.
- (4) The pattern of change over time, if one exists and is determinable, in specialization and in group inter-relationships.

The construction industry in Metropolitan Montreal is very large and encompasses a wide variety of work organizations. The industry may, therefore, be defined very broadly to include all work organizations

concerned both directly and indirectly with construction in all its aspects. On the other hand, the industry may be defined more narrowly to include only work organizations engaged in the physical aspects of construction. This study follows a middle course between these two extremes, and includes only those work organizations concerned with the initiation, planning, physical construction and financing of projects. It does not include firms supplying construction materials, many of which originate from outside the Montreal area. The industry surveyed has, therefore, been circumscribed in both a functional and a geographical sense.

The actual research into the sociology of the industry was approached from two different directions:

- (i) through focusing on work organizations in the three major sectors of Real Estate, Finance, and Construction 'per se' and its related fields, and
- (ii) through a detailed analysis of recent or current projects in the major classes of construction: Residential, Commercial, Industrial, Institutional and Public Works.

The primary technique used was the structured personal interview, supplemented when appropriate by undirected questions. These interviews were conducted with approximately 250 work organizations drawn from comprehensive lists of the organizations forming the industry as defined. In addition, approximately 400 work organizations directly involved in 45 selected projects were interviewed.

The interview programme was implemented by the authors and a team of four research assistants, whose contribution is gratefully acknowledged. One of the assistants was a graduate sociologist of Ukrainian origin, two were French Canadian engineers with experience in the construction industry, and one was an Anglo-Saxon specialist in real estate. The research group performed on a completely bilingual basis, using French or English as circumstances dictated. The interview programme was started in the spring of 1965 and was completed in the fall of that year. The staff was well received throughout, being refused interviews by only three firms, of which two were Italian and one, French Canadian.

Some difficulties arose in connection with the proper definition of the ethnic groups concerned. The French Canadians were the most easy to identify since they have lived for a long time in a rather closed society. But, even so, the border-lines are not sharply drawn. Some Italians have become absorbed into the French community and some people with apparently pure Anglo-Saxon names turned out to be French Canadians. In recent years, French and Belgian interests and individuals have moved into Quebec and it was necessary to distinguish between European-French and French Canadian. In practice, in dealing with individuals, no difficulty was encountered and anybody who was a French Canadian clearly said so, and no further definition or identification was required. In the case of corporations, the French Canadian identity was not always so clearly established. For example, two large French Canadian construction companies are now owned by European-French or Belgian interests and, for lack of a better classification, were considered as French Canadian. But there is a difference between

European-French companies and true French Canadian companies, and the French Canadian public at large is conscious of the difference.

It was considered, for the purposes of the study, that any person whose family or cultural traditions descended essentially from the British Isles could be classed as Anglo-Saxon. This general definition was adhered to in principle throughout the study, but met with some unexpected reactions; in particular, one prominent Montrealer of Scottish descent objected to being classified as "Anglo-Saxon". Americans with a basically Anglo-Saxon orientation presented another grey area, so that American-owned corporations were considered separately from those of the other groups.

Italians are readily identifiable by their name and lineage. Nevertheless, after about two generations or even less, some tend to lose their identity. One interviewee of Italian origin said that he no longer considered himself Italian; that he was not French Canadian or Anglo-Saxon, ethnically; that he thought he was a "nothing". Other Italians have become quasi-French Canadians. Nevertheless, anyone clearly identifiable as of Italian descent was classed as "Italian" in this study.

Several Jewish individuals interviewed objected to the principle of being classed ethnically as "Jews" saying that they considered themselves to be of whatever nationality they were, and of the Jewish faith. Interestingly enough, this objection was not voiced by any native Canadian Jews but only by non-Canadian Jews residing in Montreal. For purposes of classification in this study, therefore, any person declaring himself to be of the Jewish faith was classed in the "Jewish" category.

Any persons who clearly did not belong in any of the four ethnic categories above, were classed as belonging to an ethnic group referred to as "Other".

The findings of the study are presented in five chapters:

Chapter I provides the brief statistical background which is required to make available to the reader the general parameters within which the various components of the construction industry of Metropolitan Montreal operate.

Chapter II reviews these components and their relative roles in the industry structure. It categorizes and discusses the work organizations under four headings:

- (i) The group that physically carries out the construction.
- (ii) The group of professionals whose services are used in design and in supervision of construction.
- (iii) The group of entrepreneurs who conceive of and plan the projects and arrange the financing.
- (iv) The financial institutions that provide the funds.

The main findings of the study are presented in Chapters III and IV. Chapter III follows the format developed in Chapter II as outlined in the preceding paragraph, and covers the ethnic composition and specialization of the various work organizations.

To determine the extent to which business relationships in the construction industry are influenced by ethnic factors, Chapter IV analyses the relationships between the various work organizations within the framework of the various market structures within which these groups operate.

This is thought to be a more meaningful format for analysis than the somewhat simpler approach of dealing with these relationships on an organization by organization basis.

The various threads of the study are brought together in Chapter V to draw some specific conclusions with reference to ethnic factors in the construction industry and some general conclusions of wider scope.

There are two appendices. The first contains a description of the research study as it was approved by the Commission. The second describes the methods of selection of the work organizations included in the interview samples.

CHAPTER I

STATISTICAL BACKGROUND

In order to present the Montreal construction industry in context, it is desirable to establish certain basic statistical data relating both to the industry itself and to the ethnographic make-up of the population.

1. Population Statistics:

The population figures presented in this report are based on the census for 1951 and 1961. The basic data relating to Canada as a whole, the Province of Quebec, and the Montreal area for the two census years are given in Table I-1 and Table I-2. These tables call for certain additional comment:

- a. During the decade between the two censuses, the Montreal area population rose by more than 500,000, an increase of almost 40%.
- b. The Montreal area statistics cover the population of Montreal and Jesus Islands; they do not cover the rapidly expanding South Shore suburban area, for which separate statistics are not available.
- c. In 1951, Montreal had slightly less than 10% of Canada's population; in 1961, it had slightly more than 10%.
- d. During the decade, the Anglo-Saxon percentage of the population in the Montreal area dropped from 22% to 17.4%, the French-Canadian percentage of the population dropped from 64% to 63.4%, and the Jewish population showed only a very small rise in numbers and a decrease in percentage from 5.4% to 3.9%. The Italian population more than tripled, rising from 30,000 to 99,000 and from 2.3% to 5.3%. The category of "others" rose from 83,000 to 188,000 and now represents 10% of the total population of Montreal.

It is probable that the figures for the Jewish population are misleading. There are many Jews who do not consider Judaism to be an ethnic classification and, therefore, report their ethnic origin for census purposes in some other way. The actual Jewish population is undoubtedly larger than indicated by the census but to an extent which cannot be accurately measured.

TABLE I-1
Population by Specific Ethnic Groups
1951 Census

	<u>Total</u>	<u>Anglo-Saxon</u>	<u>French-Canadian</u>	<u>Jewish</u>	<u>Italian</u>	<u>Others</u>
Canada	15,009,929	6,709,685	4,319,667	181,670	152,245	3,646,662
% of Total	100	44.7	28.8	1.2	1.0	24.3
Quebec	4,055,681	491,818	3,327,128	73,019	34,165	129,551
% of Total	100	12.1	82.0	1.8	0.9	3.2
Montreal & Jesus Island	1,336,963	293,677	856,052	71,408	30,305	85,521
% of Total	100	22.0	64.0	5.3	2.3	6.4

Source: 1951 Census

TABLE I-2
Population by Specific Ethnic Groups
1961 Census

	<u>Total</u>	<u>Anglo-Saxon</u>	<u>French Canadian</u>	<u>Italian</u>	<u>Jewish</u>	<u>Others</u>
Canada	18,238,247	7,996,669	5,540,346	450,351	173,344	4,077,537
% of Total	100	43.5	30.5	2.5	1.0	22.5
Quebec	5,259,211	567,057	4,241,324	108,552	74,677	267,571
% of Total	100	11.0	80.5	2.0	1.5	5.0
Montreal & Jesus Island	1,872,437	328,448	1,183,629	99,081	72,867	188,412
% of Total	100	17.4	63.4	5.3	3.9	10.0
Source:	1961 Census					

2. Construction Industry Statistics:

Construction is one of Canada's largest industries. In terms of dollar value, it reached an all-time high in 1964 of \$8.6 billion and is expected to show a further increase of 13% in 1965, for a new record of \$9.8 billion.

The importance of construction on the overall economic life in Canada is apparent from Table I-3 which shows the relationship between the total value of construction and the Gross National Product. The ratio of between 18% and 19% is one of the highest in the world, and is, for instance, substantially higher than in the United States.

3. Principal Types of Construction:

Table I-4 shows, for purposes of reference and general information, the value of construction for Canada and for Quebec by principal types of construction.

It will be seen that both for Quebec and for all Canada, the value of building construction is of the order of 60% of the total value of all construction. This type of construction is fairly easily identifiable, through building permits, mortgage loans and other records.

Engineering construction is performed to a greater extent for public ownership, in such activities as highway construction, dams, hydro-electric works, etc., and is less readily identifiable. The major elements of such work, however, are generally located outside the metropolitan area. Within the Montreal metropolitan area, building construction, therefore, accounts for more than the 60% of total construction in contrast to the overall provincial distribution.

TABLE I-3
Construction Industry Share of G.N.P.

<u>Year</u>	<u>Total New & Repair (1) Construction (Millions of \$'s)</u>	<u>% Change Over Previous Year</u>	<u>G.N.P. (Millions of \$'s)</u>	<u>(2) Construction as % of G.N.P.</u>
1960	6,886	-2.7	36,254	19.0%
1961	6,974	1.3	37,421	18.7%
1962	7,296	4.6	40,401	18.0%
1963	7,716	5.8	43,180	17.9%
1964	8,653	12.1	47,003	18.5%
1965	9,806 (Est.)	13.3	N/A	

Source: D.B.S. (1) Construction in Canada
 (2) Canadian Statistical Review

TABLE I-4

Value of Construction in Canada and Quebec
By Principal Types of Construction

§ Thousands

	1962	1963	1964
	<u>Canada</u>	<u>Quebec</u>	<u>Canada</u>
			<u>Quebec</u>
TOTAL VALUE	<u>7,296,039</u>	<u>1,890,669</u>	<u>7,695,362</u>
Residential	2,100,000	598,000	2,257,400
Industrial	491,595	119,000	506,704
Commercial	719,500	231,521	715,834
Institutional	827,313	210,710	830,023
Other buildings	404,527	81,368	389,785
Sub-total			
Bldg. Construction	4,542,935	1,240,599	4,699,746
			1,274,429
			4,965,080
			1,424,185

cont'd

TABLE I-4 (Cont'd)

Value of Construction in Canada and Quebec

By Principal Types of Construction

\$ Thousands

	1962		1963		1964	
	<u>Canada</u>	<u>Quebec</u>	<u>Canada</u>	<u>Quebec</u>	<u>Canada</u>	<u>Quebec</u>
Marine	84,996	26,983	60,846	12,052	77,334	14,909
Roads, Highways, Aerodrome	802,711	196,098	878,159	228,206	1,024,912	327,090
Water Works, Sewage	227,615	53,407	231,147	42,832	271,512	70,497
Dams, Irrigation	93,317	47,651	173,688	97,041	183,321	93,126
Elect. Power Construction	454,338	150,599	443,880	118,645	479,032	158,079
Radio, Telephone, Telegraph	372,889	80,085	397,229	82,130	395,510	82,659
Gas & Oil Facilities	416,096	29,303	495,054	23,365	489,076	23,288
Other Eng.	301,142	65,944	315,613	74,802	400,740	117,972
Sub-Total Eng. Constr.	2,753,104	650,070	2,995,616	679,073	3,321,437	887,620
Source:	D.B.S.,		Construction in Canada			

4. Construction in the Montreal Area:

D.B.S. statistics in the same form as those published for the value of construction in Canada and for each province are not available for the Montreal area alone. A different computation is used for reporting, which is based on the number of dwelling units for residential construction, and on the face value of building permits for non-residential construction.

From these reports, the relationship of the construction activity of the Montreal Metropolitan area in each of the major types of building construction to the corresponding activity in the whole province of Quebec is expressed in Table I-5.

TABLE I-5

Building Construction Activity in Metropolitan
Montreal as a Percentage of Corresponding
Activity in the Province of Quebec for the
3 years 1962, 1963 and 1964

<u>Year</u>	<u>Type of Construction</u>			
	<u>Residential</u>	<u>Industrial</u>	<u>Commercial</u>	<u>Institutional & Government</u>
1962	71.6%	53.5%	68.0%	46.0%
1963	69.0%	57.5%	65.3%	63.5%
1964	69.0%	55.5%	75.0%	73.0%

Source: D.B.S., Construction in Canada

This table shows the extent to which building construction activity in the Province of Quebec is centered in Metropolitan Montreal. In all phases of building construction, activity in Metropolitan Montreal is more than 50% of the total activity in the Province. In the case

commercial, institutional and governmental construction, Montreal's share has shown a relative increase. Montreal's share of industrial and residential construction has remained relatively stable. In the aggregate, Montreal's share of total provincial building construction activity has, therefore, been increasing.

The extent of this increase is shown in Table I-6 below for which the value of building construction in Metropolitan Montreal from 1962-1964 inclusive has been computed by major types of construction and compared with total building construction for the Province of Quebec. The substantial increase in the absolute and relative amount of Institutional and Governmental building construction in Metropolitan Montreal will be noted.

TABLE I-6

Building Construction in Montreal by Major Types
of Construction for the years 1962-1964
inclusive (\$000's)

Type of Construction	\$	1962	\$	1963	\$	1964
		%		%		%
Residential	428,168	54.7	447,810	53.2	494,000	50.1
Industrial	63,665	8.1	69,000	8.2	90,465	9.2
Commercial	157,433	20.0	135,824	16.2	159,750	16.2
Institutional & Government	134,320	17.2	188,595	22.4	242,360	24.5
Total Metro Montreal	783,586	100.0	841,229	100.0	986,575	100.0
Total Province of Quebec	1,240,599		1,274,429		1,424,185	
Montreal as a % of Province of Quebec	63.16%		66.0%		69.27%	

Source: Computed from Tables I-4 and I-5

5. The Labour Force:

Over the course of a year, the labour force available to the construction industry in Montreal is large, being approximately 100,000. All of this labour is under the control of the Construction Industry Joint Committee of the Region of Montreal which regulates all matters relating to collective labour agreements.

As might be expected in this industry, the annual turnover of labour and the seasonal fluctuations in employment are quite high. Therefore, the number of construction workers employed on any given day is apt to be considerably less than the total registration of 100,000. For example, the construction labour actually at work on September 25, 1964 according to the Joint Committee's records, totalled 39,908. No corresponding figure is available for 1965, but because of the current construction boom it may have reached 50,000 persons.

The distribution by trades of the 39,908 construction employees at work on September 25, 1964 is shown in Table I-7.

6. Ethnic Composition of the Labour Force:

Shown in Table I-8 is an approximate percentage breakdown of the ethnic distribution of the 100,000 construction workers registered with the Joint Committee in 1964. Also shown in the Table, for purposes of comparison, is the distribution of the ethnic groups on the Island of Montreal as given by the 1961 Census.

It can be seen from this Table that representation by Anglo-Saxons, Jews and the "Other" ethnic group is substantially less than their proportionate representation in the population. The numerical

TABLE I-7

Distribution by Trades of the Construction Labour Force
at Work in Metropolitan Montreal on September 25, 1964

Bricklayers	1,707	Asbestos insulation mechanics	245
Masons	29	Tile, marble & terrazzo	
Cement block layers	28	setters	504
Carpenters, Joiners, &		Plasterers	800
Millwrights	8,003	Refrigeration mechanics	238
Welders, Boilermakers	121	Structural Steel workers	296
Cement finishers	531	Elevator mechanics	431
Lathers (metal)	161	Labourers & Hod carriers	11,757
Lathers (wood)	90	Truck drivers	404
Linoleum layers	240	Caulkers	17
Oil burner mechanics	64	Kettlemen	38
Painters	3,147	Riggers (except in structural steel)	7
Reinforcing steel setters	353	Heavy equipment welders	35
Roofers	301	Glaziers	33
Sheet metal workers	1,408	Joint fillers - Gyproc	67
Shovel & crane operators	294	Terrazzo polishers	12
Tractor operators	507	Heavy equipment mechanics	25
Other operators	317	Steeplejacks	41
Electricians	3,106		
Plumbers & installers of heating equipment	4,551		<u>39,908</u>

Source: Derived from records of the Construction Industry
Joint Committee of the Region of Montreal

TABLE I-8

Distribution of the Construction Labour Force in 1964 and the
Population of Greater Montreal in 1961 by major ethnic
groups

Ethnic Group	Construction Labour Force (1)	Population (2)
French Canadian	76.0%	63.4%
Anglo-Saxon	6.0	17.4
Italian	12.7	5.3
Jewish	0.3	3.9
Other	5.0	10.0
	<u>100.0%</u>	<u>100.0%</u>

Source: (1) Construction Industry Joint Committee of the
Region of Montreal.

(2) 1961 Census.

importance of the "Other" ethnic groups in the construction labour force is only one-half their numerical importance in the population of Greater Montreal, and the Anglo-Saxons' numerical importance is only one-third of their overall representation. The Jewish labour force in the industry is virtually non-existent even though 3.9% of the population of Greater Montreal is reported by the Census to be Jewish.

Conversely, French Canadian and Italian representation in the construction labour force in Montreal is higher than the proportion of these two ethnic groups in the total population. French Canadians represent approximately 76% of the total annual construction labour supply, whereas they comprise 63.4% of the total population. Italians represent 12.7% of the labour supply and 5.3% of the total population. Taken together, French Canadians and Italians account for 88.7% of the current supply of construction labour.

CHAPTER II

THE FUNCTIONAL STRUCTURE OF THE INDUSTRY

The construction industry, as it is now established in Montreal, represents both a very major activity in terms of dollars and in terms of manpower, and an extremely complex interlocking structure of functions, all of which play their significant role in the creation of new construction. In its broadest terms the industry can be sub-divided into four groups:

- (i) The group that physically carries out the construction.
- (ii) The group of professionals whose services are used in design and in supervision of construction.
- (iii) The group of entrepreneurs who conceive of and plan the projects and arrange the financing.
- (iv) The financial institutions that provide the funds.

The first group includes all general contractors, sub-contractors and speculative builders. The second group comprises architects, consulting engineers and technical inspection services. Real estate developers are, to all intents and purposes, alone in forming the third group; however, speculative builders in some of their functions also fall within this category. The last group includes all major financial institutions which channel funds into construction activities whether by way of long-term mortgage loans, short-term interim financing or, in some cases, equity participation.

1. The Group that Carries out the Construction:

The general contractor has the prime responsibility vis-a-vis the owner for performance of the construction work; he carries out some of the work with his own forces but generally sub-contracts other parts of it to sub-contractors, each of whom is a specialist in his own trade.

The general contractor is a descendent of the Master Builder who, within his own organization, carried most of the skills required to do a good construction job. In the complex industrial society of Montreal today, this practice no longer exists. Gradually, more and more special skills have become available through sub-contracting, and it has become increasingly attractive to the general contractor to sub-contract more of his work because of the greater flexibility, greater choice and lower fixed costs which result.

Until recently, it was quite normal in the building trades in the Montreal Metropolitan area, for a general contractor to do the concrete and carpenter work with his own forces and sub-contract everything else. The situation has now evolved to the point where, in the larger jobs, the general contractor may do absolutely nothing in the way of manual labour but act essentially as site manager and sub-contractors' co-ordinator. An operating structure such as this is only possible in a large Metropolitan area where a complete range of sub-contractor services is readily available on a competitive basis.

Thus, it should be noted that while the names before the public eye are those of general contractors and, of course, the primary business responsibility is also theirs, by far the bulk of the actual skilled labour of construction is carried out by sub-contractors.

Speculative builders are essentially in the same situation. The speculative builder of 50 years ago was perhaps a skilled building craftsman. While this may still apply in certain instances, the speculative builder of today is more often a businessman who may know very little about the technical skills of construction, but who manages the work being done for him by sub-contractors.

General contractors represent enterprises of a great variety of size. The largest have an annual volume of business in excess of \$50 million, while small ones may do less than \$500,000 a year. Similarly, speculative builders may range from a man who will build and sell two or three cottages a year to those who build in excess of 1000 housing units per year and whose operations may spread to several cities.

The structure of the sub-contractor sector of the construction industry is far more complex than that of the general contractor and speculative builders sectors, since each trade essentially represents a sub-industry of its own. There are seventeen major sub-contractor trades on the Island of Montreal and a large number of minor specialties for which proper trade-classification is difficult or impossible.

Sub-contractors, because they each offer only a limited number of skills, do not attain as big a volume of business as the general contractors. There is a mere handful in Montreal whose volume of business exceeds \$5 million per annum, and these are principally in the mechanical trades, where high cost work is frequently involved. Many sub-contractors are very small organizations operating with virtually no capital and with a very small work force. The 'big' trades are plumbing, heating and ventilation, and electrical trades; roofing, plastering, tile and terrazzo, and painting are other standard trades found on virtually all construction projects; then there are a host of minor specialties, which are ever-changing as new techniques appear.

2. The Group of Professionals:

Construction work is carried out from drawings prepared by architects in the case of buildings and by engineers in the case of heavy con-

struction, roads, drainage, etc.. The services of engineers are also used by architects to design the structural, electrical and mechanical aspects of buildings.

Other professional organizations, generally owned or managed by engineers, inspect the materials of construction and the work of the contractors. They also carry out soil investigations preliminary to foundation design.

3. The Group of Entrepreneurs Who Conceive Of and Plan the Projects:

Real Estate development and speculative building are the entrepreneurial phases of the entire construction industry. Individuals and corporations engaged in real estate development and speculative house building conceive the projects, acquire the necessary equity capital and senior financing and assume the entrepreneurial risk of the endeavour. Without these entrepreneurs, the construction industry would stagnate and the urban renewal and suburban development which are currently taking place in Metropolitan Montreal and in other metropolitan areas in North America would, to a great extent, not occur.

4. The Financial Institutions:

If the construction industry is narrowly defined, financial institutions do not fall within the definition of the industry. Financial activities clearly permeate all phases of economic activity so that their work, perhaps more than that of any other economic group, is interwoven with the activities of the entire Canadian economy. With a broader conception of the construction industry, however, it is clear that financial institutions must be included within the scope of this study, for without

funds these institutions make available to the industry, construction activity in Metropolitan Montreal would virtually cease to exist.

The principal institutions under this heading are the insurance and trust companies which make mortgage loans for new construction, the finance companies which help the contractor to purchase construction equipment and which provide interim financing for projects, and the chartered banks. Mortgage companies and Bonding companies also have a role to play.

CHAPTER III

COMPOSITION AND SPECIALIZATION OF WORK ORGANIZATIONS

A. THE GROUP THAT PHYSICALLY CARRIES OUT THE CONSTRUCTION

1. General Contractors:

The membership list of the Montreal Construction Association, supplemented by reference to the annual directory published by the "Daily Commercial News", shows that there are 119 general contractors in the Montreal area. This number does not include "one-man" type enterprises, such as a carpenter who puts up a partition or two for an agreed price. It is believed to be complete so far as significant contractors are concerned. It is convenient for purposes of analysis to sub-divide these general contractors into three size categories of Large, Medium and Small on the basis of an arbitrary classification according to annual volume of business as follows:

Large:	Over \$5 million
Medium:	\$1 million to \$5 million
Small:	Under \$1 million

On this basis, there are 32 General Contractors classified as Large, 52 as Medium and 35 as Small in the Montreal area.

Ownership:

In most instances, it is also possible to classify each General Contractor organization in accordance with one of the four basic ethnic classifications covered by this study. Table III-1, therefore, shows the relationship between the ethnic classification of

the ownership and the size category of the 119 general contractors in Metropolitan Montreal. There are a few exceptions, mostly in the Large Contractors category, where some companies are foreign owned (U.S., British or French) or are of mixed ethnic ownership, and in the small contractors, where a number of small companies operating under some impersonal corporate name remained unidentified.

TABLE III - 1

Ethnic Classification of Ownership and Size of General Contractor Organizations

<u>ETHNIC GROUP</u>	<u>TOTAL</u>	<u>CONTRACTORS</u>		
		<u>LARGE</u>	<u>MEDIUM</u>	<u>SMALL</u>
Anglo-Saxon	28	10	15	3
French Canadian	47	9	26	12
Jewish	9	1	3	5
Italian	10	2	7	1
Mixed	4	3	1	-
Foreign Owned	7	7	-	-
Unidentified	<u>14</u>	-	-	<u>14</u>
	<u><u>119</u></u>	<u><u>32</u></u>	<u><u>52</u></u>	<u><u>35</u></u>

The above general classification indicates, and the interview surveys have confirmed, that the general contractor field is dominated by organizations having a clearly recognizable ethnic character; that by far the most significant elements are the French Canadian and the Anglo-Saxon; and that the relationship changes with size. From near numerical equality between French Canadians and Anglo-Saxons in large contractors (and with the Anglo-Saxon owned companies in fact outweighing the French Canadian in aggregate volume of business) there is an almost 2:1 numerical ratio in favour of French Canadians in the Medium group, and a 4:1 ratio in the Small group, which ratio would probably be even greater if the "Unidentified" were in fact identified.

Three large contractors are classed as being of mixed ethnic ownership; one is a very large company, almost entirely Anglo-Saxon in character, but in which the controlling interest passed into Jewish-Canadian hands a few years ago. Top management has, however, remained Anglo-Saxon. Another is a company, ethnically Italian in origin, but which is now owned to a large extent by a public company which is essentially Anglo-Saxon ~~in character~~. The third contractor classified as "mixed" is a comparatively recent company (six years in business) in which there are three principals, one being French Canadian, one Anglo-Saxon and one Jewish. The company has been successful in its field.

As might be expected, the seven foreign owned companies are all large, and they merit a brief look: Two are owned or controlled in the U.K.; of these, one is an old established Anglo-Saxon Canadian company, control of which was bought in the U.K.. The other is a British company which opened a Canadian subsidiary a little more than a decade ago. Similarly, two companies are French owned or controlled. One is a comparatively recently established subsidiary, the other a well known and old established French Canadian company (itself originally founded by a French immigrant). The three U.S. owned companies are subsidiaries of very large U.S. construction organizations.

The Interview Sample:

To obtain more detailed information about general contractors, twenty-four companies were selected for interview. The selection was designed to cover five ethnic categories (the four major ethnic

groups and the "mixed" group) and to include companies, so far as possible, in the three size classes. The final sample was as follows:

<u>Ethnic Class of Ownership</u>	<u>Total</u>	<u>Large</u>	<u>Medium</u>	<u>Small</u>
Anglo-Saxon	6	4	2	-
French Canadian	13	4	4	5
Jewish	2	1	1	-
Italian	2	1	1	-
Mixed	1	1	-	-
	<u>24</u>	<u>11</u>	<u>8</u>	<u>5</u>
	<u><u>24</u></u>	<u><u>11</u></u>	<u><u>8</u></u>	<u><u>5</u></u>

The companies in this sample also reflected various lengths of time in business as shown in the following tabulation:

<u>Length of Time in Business</u>	<u>Total</u>	<u>A.S.</u>	<u>F.C.</u>	<u>J.</u>	<u>I.</u>	<u>M.</u>
Under 5 years	None	-	-	-	-	-
5 - 10 years	11	3	4	1	2	1
20 - 40 years	7	-	6	1	-	-
Over 40 years	6	3	3	-	-	-
	<u>24</u>	<u>6</u>	<u>13</u>	<u>2</u>	<u>2</u>	<u>1</u>
	<u><u>24</u></u>	<u><u>6</u></u>	<u><u>13</u></u>	<u><u>2</u></u>	<u><u>2</u></u>	<u><u>1</u></u>

It should also be noted that all the contractors are incorporated. The five with Federal Charters are all Anglo-Saxon companies; the other nineteen have Provincial Charters.

Management Personnel:

Table III-2 shows the relationship between ownership and directors and officers of the companies for the eleven large contractors interviewed, and indicates quite clearly the strong degree of ethnic identity between ownership and management.

In medium sized companies, the composition of the management of the companies is even more homogeneous. With the exception of one French

TABLE III-2Relationship Between Ownership and Management Personnel in
Eleven Large General Contractors (i)

<u>Company</u>	<u>Ownership</u>	<u>Directors</u>	<u>President</u>	<u>General Manager</u>	<u>Other Officers</u>
1	AS	AS	AS	AS	AS
2	AS	6 AS 1 FC 1 O	AS	AS	None
3	AS	5 AS 2 FC	FC	AS	None
4	AS	3 AS 1 FC	AS	--	1 AS 1 FC
5	FC	4 FC 2 AS 7 O	FC	Other	2 FC 2 AS 3 O
6	FC	FC	FC	FC	FC
7	FC	FC	FC	Other	FC
8	FC	8 F 6 FC	FC	FC	FC
9	J	3 J 1 AS	J	--	2 J 1 AS
10	I	N/G	I	--	1 I 1 FC 1 O
11	AS, FC & J	1 FC 1 AS 1 J 1 O	FC	--	1 AS 1 J

Note: (i) Actual numbers of Directors and officers have been given wherever available. Where only one ethnic classification is shown, the entire group is of that classification.

Canadian director out of five in an Anglo-Saxon company, and one "Other" director in a Jewish company, all owners, officers and directors of the medium sized companies that were interviewed were of the same ethnic group within each company.

For all the small companies interviewed, all officers and directors were of the same ethnic group as the ownership.

Professional Personnel:

The professional staff of a general contractor usually includes engineers, estimators, purchasing agents and accountants. The ethnic composition of the personnel in these functions in the twenty-four firms interviewed is given in Table III-3.

The companies which are either Anglo-Saxon or French Canadian in character employ, with certain exceptions, professional personnel who are almost exclusively within their own ethnic group. The exceptions are engineering, where there is always a percentage of French Canadians in the large Anglo-Saxon firms, and in purchasing and accounting where there are a number of French Canadians. In all the Anglo-Saxon companies the chief estimator is Anglo-Saxon, and in all but two French Canadian companies, he is French Canadian.

One interesting additional exception is the large French Canadian firm specializing in heavy construction in which much of the engineering and supervisory staff is not French Canadian. This is ascribed by the President as being due, partly, to the unusual skills required, from the point of view of French Canadian construction personnel, but principally to the nature of the business, which calls for much

TABLE III-3

Ethnic Composition of Professional Personnel in the
Employ of Twenty-Four General Contractors (i)

<u>Ethnic Category</u>	<u>Firm Size</u>	<u>Engineering</u>	<u>Estimating</u>	<u>Purchasing</u>	<u>Accounting</u>
Anglo-Saxon	1 L	AS & FC	AS	FC	AS
	2 L	5AS, 3FC, 7 Others	AS	AS	2AS, 1FC
	3 L	15AS, 5FC, 1 Other	AS	N/G	AS
	4 L	3AS, 1FC	AS	AS	FC
	5 M	N/G	AS	AS	AS
	6 M	AS	AS	FC	AS
French Canadian	1 L	FC	FC	FC	FC
	2 L	FC	FC	FC	FC
	3 L	FC	FC	FC	FC
	4 (ii) L	AS & Others, 15% FC	I	FC	AS & FC
	5 M	FC	FC, 1 Other	FC	FC
	6 M	FC	FC	FC	FC
	7 M	FC	FC	FC	FC
	8 M	FC	FC	FC	FC
	9 S	FC	FC	FC	FC
	10 S	FC	FC	FC	FC
	11 S	FC	FC	FC	FC
	12 S	FC	FC	FC	FC
	13 S	FC	1 Belgian	FC	FC
Jewish	1 L	2 AS, 1 FC	1 AS	1 AS	1 AS
	2 M	1 J, 1 AS, 1 FC	Nil	Nil	J
Italian	1 L	2 FC, 1 Other	FC	FC	FC
	2 M	FC	FC	Nil	FC
Mixed	1 L	1 FC, 1 J	None	FC	J

Notes: (i) The actual number of employees has been given to the extent made available by the companies. Where only one ethnic classification is shown, all employees were reported to be of that classification.

(ii) French Canadian firm #4 is a heavy construction company. Heavy construction is not a French Canadian trade nor a French Canadian skill. (See text).

work in remote out of town areas. The management has found that French Canadians are unwilling to disrupt their family life to meet job requirements, even if these only call for a move to another part of the Province of Quebec.

Italian contractors employ personnel in these categories who are almost entirely French Canadian. Jewish contractors employ professional personnel who are either Jewish or Anglo-Saxon. Jewish contractors seem to employ French Canadian professional personnel only in field engineering. The firm of mixed ethnic ownership employs French Canadian and Jewish professional personnel.

Clerical Personnel:

Contractors of all ethnic categories generally employ French Canadians on their clerical staffs. All the French Canadian contractors interviewed employ mostly French Canadians. In most cases, their clerical staffs are entirely French Canadian. Three of the Anglo-Saxon contractors employ a majority of French Canadian clerical personnel. The clerical work force of the two firms which employ a majority of Anglo-Saxons is, nevertheless, twenty-five percent French Canadian. One Anglo-Saxon contractor employs only Anglo-Saxons on its clerical staff. One Jewish contractor has an all Jewish clerical staff; the other employs Anglo-Saxons and French Canadians and no Jews. While a few Italians were found in the employ of the French Canadian firms, Italian contractors do not appear to employ Italians on the clerical staffs of their firms.

A summary distribution of the ethnic origin of the clerical personnel employed by the general contractors in the sample, as shown below, illustrates the preponderance of French Canadian clerical personnel in this sector of the construction industry.

<u>Ethnic Category of Firms</u>	<u>Employee Ethnic Groups</u>			
	<u>A.S.</u>	<u>F.C.</u>	<u>I</u>	<u>J</u>
Anglo-Saxon	X	X		
French Canadian		X	X	
Italian			X	
Jewish	X	X		X
Mixed		X		

Field Supervisory Personnel:

Field forces in the employ of general contractors means principally superintendents, foremen, carpenters and labourers. The work of other trades is mostly carried out by sub-contractors, and these are considered in a separate section of this study.

At the supervisory level (superintendents and foremen) the field is dominated by French Canadians. This is true of contractors of all ethnic origins, and is particularly so in the building trades, as distinct from heavy construction and engineering construction. In the latter, there is an appreciable percentage both of Anglo-Saxon and European immigrant supervisory personnel. In the building trades, however, even firms which are completely Anglo-Saxon in their ownership and management structure have a field supervisory force which may be entirely French Canadian.

Closely interwoven with the French Canadians in this category are the Italians, who appear as foremen in a minority proportion,

rarely exceeding twenty percent, but only occasionally as superintendents. In this connection, one French Canadian contractor comments that French Canadian labour does not like to work under a "foreigner", and that, therefore, the Italian foremen in his employ only supervise Italian crews.

No Jews are employed as field supervisory personnel by the companies interviewed and the Jewish contractors reported their field personnel as being virtually all French Canadian. The mixed firm also has an all French Canadian field supervisory force.

A summary distribution of field supervisory personnel for the twenty-four companies again shows a preponderance of French Canadian personnel in this sector of the construction industry:

<u>Ethnic Category of Firms</u>	<u>Employee Ethnic Groups</u>				<u>O</u>
	<u>A.S.</u>	<u>F.C.</u>	<u>I</u>	<u>J</u>	
Anglo-Saxon	X	X			X
French Canadian		X			
Italian		X		X	X
Jewish		X			
Mixed		X			

Specialization:

The very term "general contractor" implies a rather broad field of activity, without a high degree of specialization. Nevertheless, within the functions of the general contractor, there is room for a certain degree of specialization, and some correlation can be made between ethnic composition and specialty.

A tabulation correlating specialization and the ethnic character of the twenty-four general contractors interviewed is shown below:

<u>Field of Specialization</u>	<u>FC</u>	<u>AS</u>	<u>J</u>	<u>I</u>	<u>M</u>
Commercial	2 (Both small)				¹ (Medium)
Public Works	4 (2 Large, 1 Medium 1 Small)	2 (1 Medium 1 Large)		1 (Large)	
Industrial		1 (Medium)			
Institutional	1 (Large)				
Industrial & Commercial	1 (Small)	1 (Large)	1 (Large)		
(P.W., Industrial (& Commercial (1 (Large)			
(P.W., Industrial (& Commercial		1 (Medium)			
P.W. & Commercial	1 (Large)				
P.W. & Institutional	1 (Medium)				
Institutional & Commercial	1 (Medium)				
Commercial & Industrial, Residential	1 (Medium)				
Industrial, Commercial & Institutional	1 (Small)		1 (Medium)	1 (Medium)	
	<u>13</u>	<u>6</u>	<u>2</u>	<u>2</u>	<u>1</u>

It can be deduced from this tabulation that the major portion of industrial construction in Montreal is performed by Anglo-Saxon general contractors. Two of the large firms engage in this activity together with commercial or public works construction. One medium-sized Anglo-Saxon firm confines its activities to industrial construction. In contrast, no French Canadian, Italian or Jewish firms are engaged solely

in this specialty. Two of the French Canadian firms which state that they do some industrial construction are small and one is medium. Both the Jewish firms and one of the Italian firms report that they do have some industrial construction business.

Public works construction is performed by French Canadian, Anglo-Saxon and Italian general contractors and apparently not by Jewish firms. Six of the thirteen French Canadian firms in the sample derive all or some of their business from public works; four of the six Anglo-Saxon firms are also active in this field. The one large Italian firm interviewed specializes exclusively in public works.

Commercial construction is performed by firms in all four ethnic groups. Both the Jewish firms report doing commercial work. It is believed that this would be true of the two other Jewish general contractors in Montreal. In contrast, fifty percent of the firms in each of the other ethnic groups do not do commercial construction.

Contractors of all ethnic groups participate in institutional construction. Some French Canadian contractors appear to have specialized in this field. One large French Canadian contractor included in the survey, for example, does nothing but institutional construction. None of the firms in the other ethnic groups appear to make institutional construction a predominant activity. Among the Anglo-Saxon and Jewish firms, in fact, institutional construction appears to be of relatively minor importance.

In summary, it may be said that Anglo-Saxons are strong, relative to the other groups, in industrial construction. While they are active

in public works projects, they are not very active in road construction, which is largely a French Canadian field.

French Canadians are relatively most active in institutional and public works construction. A review of the work specialties of the thirteen French Canadian firms shows that nine of them engage in construction in these two categories. Their biggest representation is in building construction and highway construction. Montreal has a high level of church-sponsored institutional construction, and several French Canadian firms have successfully made a specialty of this type of work.

Jewish general contractors are only involved in building construction, including residential, commercial, institutional and industrial work, but to the exclusion of the very largest types of buildings. Thus, to the extent that there is a Jewish specialty, it is in commercial construction.

Italian general contractors, with the one notable exception in the survey sample, specialize in building construction and light industrial plant construction. The exception is a firm which has specialized in heavy excavation and underground work, and has in recent years grown to become a major public works contractor in those fields. The principal of this company is Canadian educated, and as much French Canadian as Italian in outlook.

Twelve of the firms in the sample have changed their field of specialization over the years. A tendency, even a willingness to change, may be seen from the following tabulation of responses:

Ethnic Category of Firm	Have changed specialty over the years	Have not changed specialty over the years
A.S.	5	1
F.C.	5	8
I	1	1
J	1	1
M	A new firm - no change	-
	<u><u>12</u></u>	<u><u>11</u></u>

The firms that have changed their field of specialization state that they have done so as economic circumstances have dictated. Many of the French Canadian firms that have made no change are entrenched institutional builders. Several French Canadian contractors commented that French Canadian firms must become more specialized. They believe that the wide range of their operations causes them to seek work in the most competitive segments of the industry.

Present specialization has little ethnic or cultural significance. All the general contractors obtain their work from personal contacts, past business relationships or success as low bidder. To the extent that there is any connection between work performed and ethnic origin, the causal factor is merely that personal associations tend to be more frequent, and, to the respondents, seem to yield more satisfaction when they are between members of the same ethnic group.

Changes in specialization also have little, if any, ethnic significance. The changes in the specialties of the sample group reflect a tendency common to all general contractors; namely, a desire to move from small projects in residential and apartment construction to large projects in commercial, industrial, institutional and public works construction.

2. Speculative Builders:

Speculative builders physically carry out a vast volume of construction. Because their activities are also entrepreneurial in nature, they are dealt with in Section C of this Chapter.

3. Sub-Contractors:

The work composition of the sub-contractor sector of the construction industry is far more complex than that of the general contractor sector since the industry comprises a number of trades each of which essentially represents a sub-industry of its own. To obtain a picture of the ethnic patterns in the industry, it is, therefore, necessary to consider ethnic groupings within each trade.

Seventeen trades represent the significant elements of the sub-contractor industry in Montreal. In addition to these trades, there are some minor specialties, but these are of no social or economic significance and are not included in this study.

The work of the seventeen principal trades is performed by some 3,931 sub-contractor firms. Of this total, 3,268 can be identified ethnically. The balance of 663 represents mostly small firms operating under a corporate name which gives no clue as to the identity of the owners.

The seventeen trades, the number of firms in each trade and the relative numerical importance of each ethnic group within each trade are shown in Table III-4.

It is apparent from the tabulation that the ethnic distribution of the sub-contractor industry does not precisely parallel the population

TABLE III-4

3931 Sub-Contractor Firms in Metropolitan Montreal
Classified by Trade and Ethnic Category

<u>Trade</u>	<u>AS</u>	<u>FC</u>	<u>I</u>	<u>J</u>	<u>Other</u>	<u>Mixed</u>	<u>Unknown</u>	<u>Total</u>
Painting	45	436	79	56	107	-	155	878
Electrical	28	349	11	21	12	3	171	595
Plumbing, Heating, Air Conditioning &								
Refrigeration	84	477	2	39	-	-	60	662
Masonry	12	293	74	5	13	2	40	439
Roofing & Sheet Metal	44	200	1	19	-	2	3	269
Excavation	5	190	14	1	2	1	64	277
Tile & Terrazzo	8	52	63	2	2	-	68	195
Plastering	4	129	28	-	3	1	23	188
Cement Finishing	3	43	66	-	1	2	44	159
Linoleum Tile	-	66	3	3	3	-	23	98
Structural Steel	3	17	-	1	-	-	-	21
Lathing	1	39	1	-	1	-	1	43
Asbestos Insul.	17	15	-	1	-	-	-	33
Welding	8	25	-	-	-	-	-	33
Elevators	12	6	-	-	-	-	-	18
Reinforcing Steel								
Setting	3	17	-	-	-	-	-	20
Concrete Frame &								
Formwork	-	1	1	1	-	-	-	3
	<u>277</u>	<u>2355</u>	<u>343</u>	<u>149</u>	<u>144</u>	<u>11</u>	<u>652</u>	<u>3931</u>
	<u> </u>							

Percent Distribution
of Totals 7.1 59.9 8.7 3.7 3.7 0.3 16.6 100

Percent Distribution
of Population on
Island of Montreal 17.4 63.4 5.3 3.9 ← 10 → 100

distribution. In particular, Anglo-Saxon sub-contractors represent only 7.1% of the total number of sub-contractors in contrast to the 17.4% Anglo-Saxon representation in the general population. They are fewer in number than the Italians, who represent 8.7% of the industry and 5.3% of the population. French Canadian, Jewish and "Other" representation, on the other hand, appears to be reasonably in line with the percentage distribution of these groups in the general population.

Table III-4 only establishes the number of sub-contractor organizations in each trade and ethnic category. It does not reflect the relative economic importance of a particular trade. Nor does it give any indication of the relative sizes of the enterprises, which range, in some trades, from multi-million dollar enterprises to one-man concerns. Yet both of these factors have an important bearing on the interpretation to be placed on the ethnic composition of the industry. For example, Jewish firms are numerically more important in some trades than they are in others. These are generally trades in which they are able to operate organizations of rather substantial size. Italian firms are also concentrated in certain trades, but these are generally trades of lesser economic significance in which the work organizations are usually quite small. The numbers alone, therefore, only give part of the picture.

Sample:

To obtain a clearer understanding of the ethnic composition of the industry and of the role played in it by each ethnic group, a representa-

tive sample of 93 firms was selected for analysis in depth. A balanced selection was made to give effective coverage to every ethnic representation in every trade, and to give weight to the importance of the trade itself and of the organizations within it. Table III-5 shows the complete sample by trade and ethnic category.

The varying degree of economic importance of the firms interviewed is illustrated by their legal structure. Sixteen of the firms operate as individuals or as partnerships; 62 as Quebec corporations; and 15 operate under Federal charters. Of the latter 15, ten are Anglo-Saxon firms, three French Canadian and two Italian, and most of the firms are large. The single proprietorships and partnerships and the firms with Quebec Charters range from small to medium in size. Of these 93 firms, 88 originated in Montreal. Of the 5 firms that did not originate in Montreal, four are elevator companies, which, by the restricted and expensive nature of their business, generally cover a wide market territory; the fifth firm is an electrical concern.

Size of the Organizations:

Table III-6 classifies the 93 sub-contractors interviewed by trade and volume of business. As can be seen, approximately one-half of the organizations have an annual volume of business between \$500,000 and \$5 million, 5% a volume higher than \$5 million, and the remainder an annual volume of less than \$500,000. Since the survey sample was weighted towards selecting the more significant firms, it becomes apparent that in the total of the industry, the numerical majority are quite small firms.

TABLE III-5

Ethnic and Trade Classification of 93
Sub-Contractors Selected for Interview

<u>Trade</u>	<u>Total</u>	<u>A.S.</u>	<u>F.C.</u>	<u>I</u>	<u>J</u>	<u>M</u>	<u>O</u>
Painting	6	1	3	1	-	-	1
Electrical	15	2	6	1	5	1	-
Plumbing, Heating, Air Conditioning and Refrigeration	15	4	6	1	3	1	-
Masonry	8	1	5	2	-	-	-
Roofing & Sheet Metal	6	2	2	1	1	-	-
Excavation	3	-	3	-	-	-	-
Tile & Terrazzo	5	-	2	3	-	-	-
Plastering	3	-	3	-	-	-	-
Cement Finishing	2	-	1	-	-	1	-
Linoleum Tile	6	-	5	1	-	-	-
Structural Steel	4	-	3	-	1	-	-
Lathing	3	-	3	-	-	-	-
Asbestos Insul.	3	-	3	-	-	-	-
Welding	2	1	1	-	-	-	-
Elevators	5	3	2	-	-	-	-
Reinf. Steel Setting	4	-	4	-	-	-	-
Formwork & Concrete	3	-	1	1	1	-	-
	—	—	—	—	—	—	—
	93	14	53	11	11	3	1
	==	==	==	==	==	==	==

TABLE III-6

Trade and Size Classification of 93 Sub-Contractors

<u>Trade</u>	<u>Total</u>	\$ <u>10MM</u>	\$ <u>5-10MM</u>	\$ <u>1-5MM</u>	\$ <u>1/2MM-1MM</u>	\$ <u>1/2MM</u>
Painting	6			1		5
Electrical	15	1		9	3	2
Plumbing, Heating & Air Conditioning	15			9	1	5
Masonry	8			3	1	4
Roofing & Sheet Metal	6			1	2	3
Excavation	3			1	1	1
Tile & Terrazzo	5			2		3
Plastering	3			1	1	1
Cement Finishing	2				1	1
Linoleum Tile	6				2	4
Structural Steel	4		1	2		1
Lathing	3				1	2
Asbestos Insulation	3			1		2
Welding	2					2
Elevators	5	2		1	1	1
Reinforcing Steel Setting	4			1	1	2
Formwork & Concrete	3	1*		2		
	<hr/> 93	<hr/> 4	<hr/> 1	<hr/> 34	<hr/> 15	<hr/> 39
	<hr/> <hr/> =	<hr/> <hr/> =	<hr/> <hr/> =	<hr/> <hr/> =	<hr/> <hr/> =	<hr/> <hr/> =

* Firm is also a large general contractor.

The trades where large firms are found are those involving either a high degree of skill or requiring a high capital investment. Thus, the "mechanical" trades, such as plumbing, heating and air-conditioning, elevator installation, and electrical trades are represented by some large firms, as are the formwork and concrete contractors, some of whom have, in recent years, developed into large volume concerns. Cement finishing, linoleum tile, lathing and welding appear to be characterized by small firms.

Age, Size and Ethnic Relationships:

It is of interest to relate the factors of age, size and ethnic ownership of the firms to each other. This is done in Tables III-7, III-8, and III-9.

Relationship Between Size and Age:

Reference to Table III-7, which relates size to age, reveals that of the 93 firms in the sample, 21% are more than 40 years old, 25% are between 20 and 40 years old, 41% between 5 and 17 years old and 12% are less than five years old.

TABLE III-7

Size and Age Classification of
93 Sub-Contractors

<u>Size</u>	<u>5 years</u>	<u>5-19 years</u>	<u>20-40 years</u>	<u>Over 40 years</u>	<u>Total</u>
\$500M or less	9	20	9	1	39
\$500M - \$1MM	-	6	4	5	15
\$1MM - \$5MM	2 (both A.S.)	12	8	12	34
\$5MM - \$10MM	-	-	1	-	1
\$10MM or more	-	-	2*	2	4
	<u>11</u>	<u>38</u>	<u>24</u>	<u>20</u>	<u>93</u>
	<u><u>11</u></u>	<u><u>38</u></u>	<u><u>24</u></u>	<u><u>20</u></u>	<u><u>93</u></u>

* One of these also operates as a large general contractor.

The Table also demonstrates that it takes time to develop a large sub-contracting firm: the five largest firms have all been in business for twenty years or more. It should be noted, though, that longevity is not always synonymous with size. Six of the twenty oldest firms and thirteen of the twenty firms in the 20-40 year category still do less than one million dollars of business a year. Most of these are French Canadian or Italian firms.

Among the 11 relatively new entrants to the industry, only two firms (both Anglo-Saxon owned) have reached a volume of business in excess of one million dollars a year. The other nine firms (five French Canadian, three Italian and one Anglo-Saxon) are still quite small.

Relationship Between Age and Ethnic Classification:

The relationship between the age of the firms and the ethnic classification of the ownership is shown in Table III-8.

TABLE III-8

Age and Ethnic Classification of 93 Sub-Contractors

<u>Years in Business</u>	<u>Total</u>	<u>AS</u>	<u>FC</u>	<u>I</u>	<u>J</u>	<u>Mixed</u>	<u>Other</u>
< 5 years	11	3*	5	3	0	0	0
5-19 years	38	1	29	3	3	2	0
20-40 years	24	4	10	3	5	1	1
> 40 years	20	6	9	2	3	0	0
	<u>93</u>	<u>14</u>	<u>53</u>	<u>11</u>	<u>11</u>	<u>3</u>	<u>1</u>
	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>

* Includes 1 firm which was old established as general contractor and changed to sub-contracting.

The Table reveals that more than 50 percent of the Anglo-Saxon and Jewish firms in the sample are more than twenty years old and that over 40% of the Anglo-Saxon firms are more than forty years old. In contrast, only 17% of the French firms and Italian firms have been in business for more than forty years.

There has been a marked change in the last twenty years. Of the forty-nine sub-contractors shown to have started in business less than twenty years ago, 68% are French Canadian firms, 12% Italian, 8% Anglo-Saxon and 6% Jewish. The remaining 6% are of mixed ethnic composition. No Jewish firms or firms of mixed ethnic ownership in the sample started in business within the last five years.

Relationship_Between_Ethnic_Classification_and_Size:

It has been shown that the size of a sub-contracting firm (measured in terms of annual sales volume) tends to vary directly with age; that a relatively high proportion of the Anglo-Saxon and Jewish firms are in the older age groups; and that French Canadian and Italian firms are numerically in the majority. Because of these facts, no one ethnic group may be considered dominant in its economic importance in the overall field of construction sub-contracting. This is demonstrated by Table III-9, which summarizes the relationship between annual volume of business and ethnic grouping for the ninety-three sub-contractors in the sample.

TABLE III-9

Annual Volume of Business by Ethnic Group

Annual Volume \$	Total	AS	FC	I	J	Mixed	Others
≤ 500M	39	3	27	8	-	-	1
500M - 1MM	15	3	9	-	1	2	-
1MM - 5MM	34	6	16	2	9	1	-
5MM - 10MM	1	0	0	-	1	-	-
> 10MM	4	2	1	1*	-	-	-
	—	—	—	—	—	—	—
	93	14	53	11	11	3	1
	—	—	—	—	—	—	—

* This firm is also a large general contractor and does most of its dollar volume as such.

It can be seen from this Table that the size-trend of sub-contracting work organizations tends to vary by ethnic grouping.

Jewish sub-contractors are mostly found in rather large volume organizations. Of the 11 Jewish firms interviewed, ten had an annual volume in excess of \$1 million. Thus, the size of their enterprises offsets their numerical inferiority in the industry (3.7% of the total number of firms) so that Jewish sub-contractors are of much greater economic significance than their numbers would suggest.

At the opposite end of the spectrum are the French Canadian organizations, which are the most numerous (59.9% of the total number of firms in the industry) but whose annual volume of business

frequently (twenty-seven of fifty-three firms interviewed) is less than \$500,000. The economic importance of French Canadian sub-contractors is not, therefore, in proportion to their numbers.

Anglo-Saxon firms are not numerous in the industry (7.1% of the total number) but a high proportion of their firms (ten out of fourteen) have been in business for twenty years or more. Their volumes of business are high, with eight out of fourteen firms reporting a volume in excess of \$1,000,000. Of these eight firms, two firms have an annual volume in excess of \$10,000,000.

Italian sub-contractors are numerically the second largest group in sub-contracting (8.7% of the total number) but typically operate within the framework of small organizations. This is ascribed to a large extent to the fields of specialization of the Italian sub-contractor, which are generally not conducive to the formation of large organizations. Thus, even though five of the eleven Italian firms in the sample are at least twenty years old, eight of the firms have a business volume of less than \$500,000 a year.

Personnel:

Sub-contractors employ managers, clerical workers, foremen and hourly-paid labour. A summary distribution of the ethnic composition of the personnel in these categories in the 93 firms is presented in Table III-10. This Table is believed to give a realistic picture for any firm in one of the four main ethnic groupings of ownership for no major variations from the general pattern were found.

TABLE III-10

Ethnic Distribution of Personnel Employed
by Sub-contractors

<u>Sub-Contractor</u>	<u>Senior Staff</u>	<u>Clerical</u>	<u>Foremen</u>	<u>Hourly</u>
Anglo-Saxon	All A.S.	A.S. & F.C.	All F.C.	Mostly F.C., some A.S. and I.
French Canadian	All F.C.	All F.C.	All F.C.	Nearly all F.C., few Ital.
Italian	I (1 F.C.)	Mixed	All Ital. I and F.C.	
Jewish	All J	F.C. & J.	All F.C.	All F.C.

The Table reveals that there is a clear distinction between the ethnic composition of management personnel and that of lower echelon employees.

Management personnel (managers, chief engineers, general superintendents, accountants, etc.) are almost entirely of the same ethnic group as the ownership. There is some penetration of Italian owned firms by French Canadian management personnel - one French Canadian is a manager in one of the Italian firms.

At the lower echelons, French Canadian firms employ hourly rated skilled and unskilled labour which is almost all French Canadian, with a small proportion of Italians. Anglo-Saxon sub-contractors also employ a majority of French Canadian labour, with some Anglo-Saxons and Italians. Only four firms out of all the sub-contractors interviewed reported the majority of their employees as Anglo-Saxon. Of these, two were Anglo-Saxon elevator companies, the other two were small painting firms, one of them Italian and the other Mixed in ownership. Jewish firms employ French Canadian labour, and Italian firms employ Italian and French Canadian labour.

At the foreman level, the Italian firms employ Italian foremen, and virtually all others employ French Canadians.

The ethnic composition of clerical personnel is less easy to delineate. All groups employ French Canadians, and French Canadian firms employ essentially 100% of French Canadian clerical personnel. Anglo-Saxon and Jewish firms employ French Canadians and personnel of their own ethnic group. Italian firms employ Italian clerical personnel, but there is some representation from French Canadians and "Others".

Working Languages:

Working language is predominantly English in Anglo-Saxon and Jewish firms and predominantly French in French-Canadian and Italian firms.

Only one of the Anglo-Saxon contractors interviewed reported the working language of his firm as French. This is a small firm with two French Canadian employees and an owner who is bilingual. For the French Canadian firms, approximately 80% use French as the working language, 10% use English, 10% use French and English. Approximately 75% of Jewish firms use English as the working language, 25% use English and French. 75% of Italians use French as the working language, with 25% using both English and French.

Specialization:

By Trade

The field of sub-contracting as a whole is not the domain of any particular ethnic group. The number of French-Canadian, Italian and Jewish sub-contractors is rising, and that of Anglo-Saxon sub-contractors is falling, an aspect which is dealt with in greater detail elsewhere in this report.

The sub-contractor industry is largely based on manual skills, and these lead to areas of specialization by trade.

Most readily identifiable in this respect are the Italians. They have brought from their homeland certain skills in which they have been leaders, probably for centuries, and their leadership is still in evidence today. This applies particularly to the "trowel" trades; terrazzo work, tile setting, cement finishing, plastering and brick-laying. Reference to Table III-4 will illustrate the degree to which Italians have made a specialty of these trades. By contrast, Italians have made virtually no mark at all on the mechanical trades, for which a different and more North American-oriented type of training is required, and which also require greater capital investment.

It is particularly in these mechanical trades that Jewish sub-contractors have successfully specialized. Two factors appear to be significant in this: one is that Jewish engineers in Montreal indicate that they have difficulty in progressing as professionals, and thus are apt to turn to a commercial application of their talents. Thus, one finds that Jewish mechanical contracting firms are often headed by persons of fairly advanced professional training, which no doubt gives them an advantage. The other factor is that these trades consume substantial quantities of costly materials, so that skill in both purchasing and trade relations becomes an important factor.

Anglo-Saxon sub-contractors are found in virtually all trades, but there are only a few trades which can be termed as being their specialty, elevator installation being the most significant of them.

This trade involves highly specialized training, available only through the manufacturing firms, the major ones being national or continental in scope, and presumably operating in the English language exclusively. Two minor trades have remained a largely Anglo-Saxon field; refrigeration and asbestos insulation. The former probably relates to the availability of training in years past, while no ready explanation is available for the asbestos insulation specialty, unless it is that the major asbestos producing companies are British or American owned.

French Canadian sub-contractors are so widespread in their activities that it is virtually impossible to identify any trend of specialization. They have traditionally operated as small family type concerns with limited managerial structure, and are thus found in large numbers in all trades, and in dominant numbers in those fields where the size of the individual sub-contract is limited. In recent years, French Canadian sub-contractors have begun to make definite inroads on certain trades traditionally considered as "Italian", such as tile and terrazzo, and cement finishing.

Specialization by Function:

The kind of construction on which work is performed frequently leads to a functional specialization for a sub-contractor. This was said to be so in the case of 74 of the 93 sub-contracting firms interviewed, as the following table shows:

Functional Specialization of Sub-Contractors
Classified by Ethnic Groups

Specialization	A.S.	F.C.	I	J	M	O	Total
Mostly Institutional Work	1	13	2	1	-	-	17
" Residential "	-	16	5	1	-	-	22
" Commercial "	5	4	2	3	3	-	17
" Public Works "	1	5	-	2	-	-	8
" Industrial "	3	5	1	-	-	1	10
	<u>10</u>	<u>43</u>	<u>10</u>	<u>7</u>	<u>3</u>	<u>1</u>	<u>74</u>

This table repeats the pattern of specialization obtained for General Contractors in that French Canadian sub-contractors derive a large proportion of their work from institutional and public work sources; Anglo-Saxons work mostly in the commercial and industrial sectors; and the biggest field of interest of Jews in construction is in commercial work. The high proportion of French Canadian and Italian sub-contractors in residential construction confirms the information obtained from speculative builders who state that the dominant ethnic groups in residential sub-contracting are the French Canadians and Italians.

The five French Canadian sub-contractors who perform mostly industrial work consist of three large firms and two small firms. The three large firms have been in existence over 20 years and derive most of their business from Anglo-Saxon industrial sources. The two small firms are relatively new and report that their work is obtained from work sources which are partly French Canadian and partly Anglo-Saxon, with the former being the major source.

B. THE GROUP OF PROFESSIONALS

1. Architects:

A total of 219 architectural firms are practising in the Montreal area.

Of these, 71 operate as partnerships and 148 are practices carried on by individuals. The ethnic distribution within these two modes of practice is as follows:

Ethnic Category	Partnerships	Individual Practices	Total	%	Population Distribution
Anglo-Saxon	19	29	48	21.9	17.4
French Canadian	28	73	101	46.1	63.4
Jewish	15	19	34	15.5	3.9
Italian	0	2	2	0.9	5.3
Mixed	8	0	8	3.7	-
Other or Unidentified	<u>1</u> <u>71</u>	<u>25</u> <u>148</u>	<u>26</u> <u>219</u>	<u>11.9</u> <u>100.0</u>	<u>10.0</u> <u>100.0</u>

It is to be noted that the proportion of Jewish and Anglo-Saxon architects is greater than the representation of these two ethnic groups in the population; the relative proportion of French Canadian and Italian architects is less than their overall population representation.

The partnerships that can be identified with one of the four major ethnic groups generally have a partnership structure that is ethnically homogeneous. The mixed firms, by their very nature, present an interesting contrast. For example, one of the mixed partnerships, by far the largest architectural firm in Montreal and one of the best known in Canada, is thoroughly mixed in ethnic composition. There are five partners of whom two are Anglo-Saxon, one French Canadian, one Jewish and one 'Other'. The work of the firm is conducted essentially in English but the firm has no pronounced ethnic character.

The majority of the other mixed partnerships retain one basic ethnic character, either Anglo-Saxon or French Canadian, with one element (usually the French Canadian) being in the minority. There are no mixed firms in which the basic ethnic character is Jewish or Italian. In fact, Jews are minority partners in only two of the eight mixed firms and only one of the mixed firms has an Italian partner.

The list of architects practicing as individuals includes many well known names in the profession. It is difficult to make any broad generalizations except that these are people who are less organization-oriented and perhaps less interested in very large commercial or institutional developments. It will be seen that although the French Canadian architects are the most numerous in both types of practices, they are proportionately more inclined towards the individual practice, and form approximately one-half of the total of individual practices. The Anglo-Saxon and Jewish architects, on the other hand, appear to be relatively more inclined to practice in partnerships.

The Sample:

The following sample of fourteen architects was selected for interview to give a balanced representation to the ethnic groups and to the two modes of practice:

<u>Ethnic Classification</u>	<u>Partnerships</u>	<u>Individual Practices</u>
Anglo-Saxon	2	3
French Canadian	2	1
Jewish	2	1
Italian	-	1
Mixed	<u>2</u>	<u>N/A</u>
	8	6
	<u><u>==</u></u>	<u><u>==</u></u>

The sample consisted originally of twelve firms (eight partnerships and four individual practitioners). Two additional Anglo-Saxon individuals were added as they were found to be approachable, knowledgeable and important in the profession.

Personnel:

Employees of architectural firms can be broadly classified into the three categories of architects, draftsmen and clerical workers.

Table III-11 shows the number and ethnic distribution of employees in these categories for the eleven firms which responded. (Three of the firms did not give personnel data in a form which could be tabulated).

The Table shows clearly that in the Anglo-Saxon and French Canadian firms, the majority of employees are drawn from the same ethnic group as the ownership. Of 56 employees in the French Canadian firms, 41 are French Canadian, one is Anglo-Saxon, and none is Jewish. Of the 81 employees in the Anglo-Saxon firms, 42 are Anglo-Saxon, nine are French Canadian and six are Jewish, none of whom is employed as an architect.

Of the 23 employees in the two Jewish firms ten are Jewish, three are Anglo-Saxon and three, French Canadian.

On closer examination, this pattern of ethnic cohesiveness appears to be related to the size of firm. Although it is not apparent from the Table, a tremendous ethnic diversification is found in the larger firms, which employ a large number of architects and draftsmen of many nationalities not falling within any of the four ethnic groups of reference. In the smaller firms, the degree of ethnic diversification

TABLE III-11

Ethnic Distribution of Personnel in Eleven
Architectural Firms by Occupational Classes

Anglo-Saxon Firms (4)

	<u>A.S.</u>	<u>F.C.</u>	<u>J</u>	<u>I</u>	<u>O</u>	<u>Total</u>
Architects	15	0	0	1	9	25
Draftsmen	17	7	4	1	13	42
Clerical	<u>10</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>14</u>
	<u>42</u>	<u>9</u>	<u>6</u>	<u>2</u>	<u>22</u>	<u>81</u>

French Canadian Firms (3)

Architects	1	4	0	2	2	9
Draftsmen	0	25	0	1	9	35
Clerical	<u>0</u>	<u>12</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12</u>
	<u>1</u>	<u>41</u>	<u>0</u>	<u>3</u>	<u>11</u>	<u>56</u>

Jewish Firms (2)

Architects)	2	3	8	0	7	20
Draftsmen)	0	0	0	1	2	3
Clerical	<u>1</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>3</u>	<u>3</u>	<u>10</u>	<u>0</u>	<u>7</u>	<u>23</u>

Italian Firms (1)

Architects	0	0	0	0	0	0
Draftsmen	0	2	0	1	2	5
Clerical	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>0</u>	<u>3</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>6</u>

Mixed Firms (1)

Architects	1	0	2	0	6	9
Draftsmen	3	12	0	1	10	26
Clerical	<u>2</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
	<u>6</u>	<u>16</u>	<u>2</u>	<u>1</u>	<u>16</u>	<u>41</u>

of personnel diminishes. This decrease is more pronounced in the French Canadian firms than in the others. For instance, one well-established Jewish architect in individual practice employs five Jewish architects, three French Canadian, one Anglo-Saxon, two Chinese and four Germans; a successful Anglo-Saxon architect employs one Anglo-Saxon Canadian, one Italian, three Australians, three Greek and one Yugoslav architects and one French Canadian, two Anglo-Saxon, one Swiss and one Chinese draftsmen. No such variety can be found among the French Canadian architects where the great majority of professional employees are also French Canadian with a small number of Italians, a few Europeans and even fewer Anglo-Saxon Canadians and no Jews.

The mixed partnerships present a high degree of ethnic diversification among their employees. The one mixed firm in Table III-11 has employees in all the four main ethnic groups and has 16 of its 41 employees in the 'Other' ethnic category. The large mixed partnership, previously referred to but whose employee roster was not in a form that could be tabulated, offers another case in point: immediately below the partners are five associates, all Canadian citizens, one of Anglo-Saxon origin, two of American origin, one of Finnish origin and one of Hungarian origin. In the other categories of professional employees within the firm, amounting to about 85 people, only a small number are Anglo-Saxon Canadians and an even smaller number are French Canadians. The rest is a completely mixed bag, including Indians,

Chinese, Hungarians, Egyptians, Americans, English, French and Jewish architects. Non-professional employees average about 50% French Canadian, and the composition of the other 50% is completely heterogeneous.

Specialization:

Architectural firms, particularly the partnerships, have a considerable degree of adaptability to the work available to them so that lines of specialization are generally not clearly drawn. Nevertheless, some broad generalizations may be derived from the limited sample.

Table III-12 shows the current functional distribution of the work of the fourteen architects interviewed.

From the tabulation below, it would appear that Jewish architects do not participate to any significant extent in institutional work and that their field of specialization lies mainly in commercial buildings, primarily office buildings and the larger apartment houses. Their involvement in institutional work tends to be limited to Jewish institutions. An informal survey of Jewish architects other than those interviewed confirms that this relationship between ethnic identity and work specialization exists.

The work pattern of Anglo-Saxon, French Canadian and mixed architectural firms seems to be related more to the size of the firm than to ethnic factors. In the main, the larger jobs go to the larger firms and, conversely, the larger firms tend to concentrate on the larger projects, to the exclusion of the smaller ones. Thus, of six non-Jewish partner-

TABLE III-12
Functional Work Sources for Fourteen Montreal
Architects

Ethnic Category	Firm No.	(Six Individual Practitioners)					(Eight Partnerships)				
		Institutions	Residential	Commercial	Industrial	Public Works	Institutions	Residential	Commercial	Industrial	Public Works
Anglo-Saxon	1	-	-	75%	25%	-	50%	25%	10%	10%	-
	2	-	45%	45%	-	-	50%	50%	30%	-	-
	3	20%	-	50%	50%	-	50%	50%	30%	-	-
French Canadian	1	25%	50%	20%	2%	3%	-	-	-	-	-
Jewish	1	10%	5%	85%	-	-	-	-	-	-	-
Italian	1	90%	-	5%	5%	-	-	-	-	-	-
(Eight Partnerships)											
Anglo-Saxon	1	50%	-	25%	-	25%	-	-	-	25%	-
	2	70%	-	25%	-	5%	-	-	-	-	-
French Canadian	1	50%	10%	7%	3%	30%	-	-	-	-	-
	2	50%	5%	5%	15%	25%	-	-	-	-	-
Jewish	1	5%	-	80%	15%	-	-	-	-	-	-
	2	-	Mixture of Everything	-	-	-	-	-	-	-	-
Mixed	1	50%	-	50%	-	-	-	-	-	-	-
	2	35%	5%	5%	25%	25%	-	-	-	30%	-

ship firms interviewed, five do at least fifty percent of their work in the institutional field in which the projects are usually large. On the other hand, among the non-Jewish individual practitioners, excluding the Italian who is discussed separately below, none derives more than 25% of his work from institutions.

Similarly, work for Public projects, which are usually large, is performed almost exclusively by the partnerships. The Anglo-Saxon partnership which is active in this field reports that its work is performed mainly for Anglo-Saxon municipalities.

The major work sources for the individual non-Jewish practitioners are housing developments, commercial and industrial projects.

Italian architects are so few in number, it is not possible from a study of their activities to derive a meaningful pattern of specialization. The one Italian architect interviewed is an unusual case arising out of special social relationships. He does virtually no work for Italian community clients, but works mostly for Irish Catholic institutions which account for 90% of his work.

2. Consulting Engineers:

The present study does not attempt to research in depth the profession of engineering, per se. It is concerned with the practice of professional engineering only to the extent that such engineering relates directly to the construction industry, and thus can be considered to form a component part of it. Many other aspects of engineering, such, for instance, as communications or aeronautics, are of no concern here.

In accordance with the above criteria, there are about 145 consulting engineering firms in the Montreal region engaged in activities related to construction. Some of these firms operate as individual practices. The majority of them operate as partnerships, and a few operate as corporations. Broken down by the ethnic character of their ownership, the 145 firms yield the following classification:

Anglo-Saxon	28
French Canadian	70
Jewish	17
Italian	NIL
Mixed	11
Unknown & other	19
	<u>145</u>

Several of the largest consulting engineering firms in Montreal were not considered for study because the work in which they specialize (heavy industry, dams, power plants, etc.), although directly related to construction, is located outside the metropolitan area. Such firms are in the main Anglo-Saxon in character and include some of the largest in Montreal.

The Sample:

Interviews in depth were conducted with thirteen firms, of which six were French Canadian, two principally Anglo-Saxon (with other associates), two Jewish and three mixed in their ethnic composition. Selection of firms for interview was so designed as to give properly weighted representation to each ethnic group. Of the thirteen firms, ten were partnerships, two were corporations and one was an individual practitioner.

The two Anglo-Saxon firms studied are both corporations and are among the oldest established engineering firms in Canada. One claims to be the

oldest, having been started, although under a different name, by the present senior partner 55 years ago. The other has also been in existence approximately 55 years, but is a corporation and none of the founders are among the present owners. Both firms have one Jew as a principal and part owner.

The French Canadian firms interviewed are all partnerships and all of the partners are French Canadian except one who is of Italian descent but considers himself a French Canadian.

The largest mixed firm, one of the largest engineering firms in Canada, has French Canadian, Jewish and Swiss partners but no Anglo-Saxon partners. The other two mixed firms interviewed each have three partners: in one of them two partners are French Canadian and one is Anglo-Saxon; in the other, one is French Canadian, one is Anglo-Saxon and one is Jewish.

Personnel:

The ethnic distribution of the professional and clerical personnel in the employ of the engineering firms interviewed is summarized below. It was not possible to obtain for all firms interviewed a cross-classification between the ethnic distribution of their professional personnel and levels of responsibility. Table III-13, which follows, is, therefore, restricted to the ethnic composition of the total work force in each firm.

As indicated in this table, four of the French Canadian firms interviewed reported a working force which, for practical purposes, may be considered as being 100% French Canadian. With respect to the other

TABLE III-13

Ethnic Distribution of the Professional
and Clerical Work-Forces in Twelve⁽ⁱ⁾
Engineering Firms

Ethnic Category	Firm	A.S.	F.C.	I	J	Others	Total
French Canadian	1	11	95	4	-	28	138
	2	-	138	-	-	12	150
	3	-	20	-	-	-	20
	4	-	23	-	-	2	25
	5	-	14	-	-	-	14
		<u>11</u>	<u>290</u>	<u>4</u>	<u>0</u>	<u>42</u>	<u>347</u>
Anglo-Saxon	1	11	12	-	2	15	40
	2	<u>29</u>	<u>10</u>	<u>2</u>	<u>3</u>	<u>15</u>	<u>59</u>
		<u>40</u>	<u>22</u>	<u>2</u>	<u>5</u>	<u>30</u>	<u>99</u>
Jewish	1	-	-	-	3	1	4
	2	<u>6</u>	<u>7</u>	<u>0</u>	<u>6</u>	<u>1</u>	<u>19</u>
		<u>6</u>	<u>7</u>	<u>0</u>	<u>9</u>	<u>1</u>	<u>23</u>
Mixed	1	26	182	8	5	133	354
	2	8	2	-	-	21	31
	3	<u>19</u>	<u>38</u>	<u>-</u>	<u>-</u>	<u>22</u>	<u>79</u>
		<u>53</u>	<u>222</u>	<u>8</u>	<u>5</u>	<u>176</u>	<u>464</u>
Grand Total		<u>110</u>	<u>512</u>	<u>14</u>	<u>19</u>	<u>248</u>	<u>903</u>

Note: (i) One of the French Canadian firms declined to give the ethnic composition of its work force (see narrative).

two, one is very large, being one of the largest French Canadian engineering firms in Montreal. While the majority of its personnel are French Canadian, its professional and clerical staffs contain a wide variety of ethnic or national groups. A complete tabulation of the nationalities employed by this firm, as shown below, illustrates the diversity of nationalities that may be encountered in a large engineering office:

The Ethnic Distribution of the Professional and Clerical Staff in one Engineering firm

French Canadian	95	Egyptian	5
Anglo-Saxon	11	Russian	2
European French	6	Spanish	2
Italian	4	Polish	2
Turkish	2	Unidentified	7
German	2		<u>138</u>

There are probably a few Jewish employees in this firm but they are not identified as such.

The last French Canadian firm insisted that it looked on its professional personnel strictly on the basis of competence and entirely without regard to nationality, and did not disclose its percentage distribution by ethnic classification. This case was unique.

The professional work-force in the Anglo-Saxon firms is very mixed, being partly Anglo-Saxon, partly French Canadian, with a very small number of Jews and Italians and a fairly large number of immigrants of other ethnic origins.

The Jewish firms appear to rely partly on Jewish professional personnel and to make up the remainder of their force from Anglo-Saxons, French Canadians or European immigrants. It is not possible to give a representative picture, but in the smaller firms Jewish personnel appear

to be in the majority and, in the larger firms, in the minority. For example, in the larger of the Jewish firms interviewed thirteen of the total work force of nineteen are non-Jewish; in the smaller of the two firms, three of the four employees are Jewish.

It is interesting to note the very significant part played by professionals who do not come under any of the four basic ethnic classifications covered by this report and who represent immigrants from the four corners of the world. These are found particularly in the large engineering firms of 'mixed ethnic character' and in some of the larger French Canadian firms. Reference has already been made to the widely diverse ethnic representation on the staff of a large French Canadian firm. A similar pattern is in evidence in one of the very large engineering firms classified as "Mixed".

This firm, originally a French Canadian firm but now more correctly classified as mixed in character since only one-half of the present partners are French Canadian, has a professional working force which may be summarized as follows:

French Canadian	182
Anglo-Saxon	26
Italian	8
Jewish	5
Others	133

The 133 in the 'others' category are drawn from twenty-nine countries as follows:

France	28	Austria	2
Latvia	19	Viet-Nam	2
Hungary	13	Lebanon	2
Germany	12	Tunisia	1
Poland	8	Czechoslovakia	1
Estonia	6	Portugal	1
Yugoslavia	6	Lithuania	1
Switzerland	5	Ukraine	1
India	4	Jamaica	1
Holland	3	Belgium	1
England	3	Trinidad	1
Russia	3	Algeria	1
Turkey	2	Israel	1
Greece	2	Spain	1
Egypt	2		
			<u>133</u>

It is to be observed that employment in the 'others' category is relatively much less in the smaller firms, particularly in the French Canadian firms.

Ethnic Classification and Level of Responsibility:

No precise relationship between level of responsibility and ethnic classification could be established in the engineering firms interviewed. Intuitively, one would expect that professional skill would be the primary criterion governing level of responsibility achieved. Two of the French Canadian firms interviewed commented that there was no special significance attached to the fact that they employed no Anglo-Saxons, Jews or Italians. This was said to be "purely chance". Conversely, the availability to Anglo-Saxon and Jewish firms of French Canadian engineers at responsible levels appears to be limited.

Specialization by Engineering Discipline:

The principal engineering disciplines related to construction are civil and structural engineering, electrical engineering and mechanical engineering.

While the larger French Canadian firms cover all these disciplines, none of them concentrates purely on mechanical engineering. French Canadian engineers have the reputation of being inclined towards civil engineering. Of 70 French Canadian firms identified, only 13 did not offer civil engineering. Another 21 firms were not classified by engineering discipline, but the majority of them are believed to be civil engineers.

Anglo-Saxon firms also offer services in the complete spectrum of engineering disciplines, but they seem to be recognized especially for their skills in mechanical and industrial engineering. Jewish firms cover all disciplines but are weighted in favour of structural engineering.

Two of the French Canadian firms interviewed commented on the relative skills of engineers in the same terms; namely, that French Canadians make good civil engineers and that Anglo-Saxons make good mechanical and industrial engineers. This orientation of skills is borne out by the distribution of work source for the firms in the sample. If Government and Institutional work are grouped together and Commercial and Industrial work are grouped, the following distribution emerges for the four ethnic classifications of engineering firms:

<u>Work Source</u>	<u>F.C.</u>	<u>A.S.</u>	<u>J</u>	<u>M</u>
Gov't & Inst'l	75%	25%	20%	75%
Comm'l & Ind'l	25%	75%	80%	25%

There are no engineering firms, within the context of the construction industry in Montreal, identifiable as Italian. There is no readily apparent reason for their absence but there are certain valid contributory factors: much of the Italian population of Montreal is of comparatively

recent entry into Canada. In order to practice as an engineer in Quebec, citizenship is a requirement, and an immigrant engineer is at a professional and economic disadvantage until he is able to obtain a licence. By contrast, the status of the engineer in Italy is high, both in prestige and income. There is, therefore, little inducement for the Italian engineer to leave his country. There are Canadian engineers of Italian descent, but they are small in number and have not formed any consulting practices.

3. Technical and Inspection Services:

Technical and inspection service firms are extensively used for the inspection of construction materials, particularly concrete, and for the investigation of soil conditions. Nine firms represent virtually the totality of such service available in Montreal.

Of these nine firms, five are classified as French Canadian in ownership, three as Anglo-Saxon and one as mixed French Canadian and Anglo-Saxon. This is a general classification based on the public image of these organizations. On closer examination, however, it is found that only three firms, all French Canadian, have an ownership composition that is ethnically homogeneous. None of the three "Anglo-Saxon" companies is completely Anglo-Saxon. All three have mixed Boards of Directors on which are found four French Canadians, two Jews, one Pole and one Latvian. One French Canadian was added to the Board of one of the Anglo-Saxon companies because he had demonstrated leadership ability; his being French Canadian was also considered to be an asset politically. In the two French Canadian firms that are not wholly French Canadian, one added a Jew to its Board "to get more Anglo-Saxon

business". The other French Canadian firm added an Anglo-Saxon partner because it has many Anglo-Saxon clients. The "mixed" firm has only two partners, one of whom is Anglo-Saxon and the other, French Canadian.

All three Anglo-Saxon firms have Federal Charters and all operate nationally. This is in contrast to the other firms which have Provincial Charters, if incorporated, and restrict their operations to the Province of Quebec.

Two of the three Anglo-Saxon firms are very old-established, one being 32 years old and the other closer to 60 years old under its previous name. The third Anglo-Saxon firm is a post-war firm, and has recently added a French Canadian partner.

Of the French Canadian firms, the old established and largest is 36 years old. All the other firms are of recent origin.

Personnel:

The ethnic distribution of the personnel employed in the technical and inspection services sector of the construction industry is summarized in the following table:

TABLE III-14

Ethnic Distribution of Personnel Employed in
Technical and Inspection Service Companies

Three Anglo-Saxon Firms

<u>Functional Class</u>	<u>Total</u>	<u>A.S.</u>	<u>F.C.</u>	<u>I</u>	<u>J</u>	<u>O</u>
Engineers	58	19	37	-	1	1
Technicians	340	104	222	-	-	14
Clerical	45	19	26	-	-	-
	<u>443</u>	<u>142</u>	<u>285</u>	<u>0</u>	<u>1</u>	<u>15</u>

Five French Canadian Firms

Engineers	12	4	11	-	-	1
Technicians	265	5	234	-	-	26
Clerical	21	-	19	1	-	1
	<u>298</u>	<u>5</u>	<u>264</u>	<u>1</u>	<u>0</u>	<u>28</u>

This table shows clearly that Jews and Italians are almost completely absent from this sector of the industry. It also shows that in French Canadian firms an overwhelming majority (90%) of the personnel are French Canadian, and that French Canadians are in the majority, even in the Anglo Saxon firms. The Anglo-Saxons employed by the French Canadian firms are all said to be bilingual, and this is stated to be a condition of their employment.

All firms were found to be bilingual and use French or English roughly in proportion to the volume of business obtained from the two language groups.

Two of the Anglo-Saxon firms employ French Canadian engineers. One of these firms employs a large number of French Canadian engineers; it also has two influential French Canadians on its Board of Directors and gets a great deal of French Canadian business. The third Anglo-Saxon

firm has never had a senior French Canadian engineer on its staff, has no French Canadian directors, and gets very little French Canadian business. The president of this firm states that he has found it difficult to recruit French Canadian engineers because they are in short supply and may, in his view, be reluctant to accept employment in an Anglo-Saxon firm. This view is not consistent with the fact that the majority of engineers employed in the two other Anglo-Saxon firms are French Canadian.

The overall ethnic pattern of employment in this sector of the industry over the past three years appears to have been stable.

Specialization:

While it is not possible to give any clear breakdown of specialization in relation to ethnic composition, it would appear that the work of the French Canadian firms is more oriented towards soil mechanics and concrete, and that it is the Anglo-Saxon firms which principally offer services more closely related to industrial and mechanical functions. This is in accordance with the functional specialization that has already been noted in the case of engineers.

C. THE GROUP OF ENTREPRENEURS

1. Real Estate Developers:

According to available information, there are 25 work organizations of substance in the field of real estate development on the Island of Montreal. Of these 25 firms, 17 are Jewish owned. The remaining eight are divided as follows: one Anglo-Saxon, three French Canadian, two Italian, and two of Mixed (Anglo-Saxon and Jewish) ownership.

Numerically, this field of enterprise is clearly dominated by Jews. It is even more so from the standpoint of the dollar value of the projects in which the developers are involved. Precise statistical data in support of this statement are not available but enough is known about the projects currently under way on the Island of Montreal to offer substantial verification of the promotional dominance of Jewish enterprise in real estate development activity.

Anglo-Saxon involvement in real estate development in Montreal is quite small. However, the development companies of mixed Anglo-Saxon-Jewish ownership are actively engaged in large projects such as high-rise office buildings, shopping plazas, urban commercial buildings and large apartment buildings. In these organizations, the promotional function is largely furnished by the Jewish element, while the Anglo-Saxon associates are essentially investment partners.

French Canadian involvement in this field appears to be quite small at this time, but there are a number of indications that it will be an increasingly important factor in the near future. For example, the three French Canadian development companies currently active are doing well and have their sights on larger projects. Three years ago they were much smaller firms than they are now. There is also some indication that this field is being considered by other French Canadians as they gain experience in the financial aspects of such ventures.

Both of the Italian development companies are new, having entered the field since 1960, and operate on large scale development projects only.

To obtain more specific information on the composition and activities of development companies, seven companies were selected for interviewing, with the following ethnic breakdown: two Jewish, two Mixed, one Italian, and two French Canadian. The firms selected are among the most active of the development firms on the Island of Montreal. The Jewish and French Canadian firms have been in business from 8 to 20 years. The Italian firm started business in Montreal in 1961, while the two firms of mixed ethnic composition are both very new entrants to real estate development on the Island.

The only Anglo-Saxon Company on the list was omitted because it had so altered in structure from when it was first incorporated that no useful information on its development activities could now be obtained. Furthermore, the company was organized for one project only and is not engaged in development work on a continuing basis.

Relationship Between Ownership and Management:

The ethnic pattern of the Directors and the senior management of the companies interviewed follows that of the owners. The Jewish owned firms have Jewish directors and officers, the French-Canadian firms have French Canadian directors and officers, the Italian firm has Italian directors and officers, and the firms of mixed ownership have directors and officers drawn from the ethnic groups representing the ownership. All of these companies are privately owned and they all have Quebec charters.

Professional Staff:

With the exception of accountants, development companies have very few, if any, professional personnel on their staffs. However, there are some

owners with a professional background in the companies. For example, one of the owners in each of the two Jewish developers interviewed has a professional engineering qualification. The two French Canadian development companies interviewed are both owned by people who have had prior experience in the construction industry. In both the companies with mixed ownership, some of their principal shareholders are qualified professionals. But despite the presence of professional personnel within the ownership, the primary concern of the owners is with the financing and the control of the enterprise. Professional work such as architecture, engineering and construction are contracted out except in the case of the two French Canadian developers who started out as contractors and still do a fair amount of their own construction.

Clerical Staff:

Developers employ a fairly high ratio of clerical staff to staff in other categories. This ratio arises from their emphasis on activities such as financing, promotion, advertising and renting.

The most noticeable feature of the ethnic composition of the clerical staffs in the companies interviewed was the presence of only French Canadians in the French Canadian development companies and their almost complete absence in the clerical staffs of the non-French Canadian owned companies. French Canadians were reported on the staff of only one of the other five companies. This company has mixed ethnic ownership and has only five French Canadians out of a total clerical staff of 20. In the Jewish, mixed and Italian development companies the clerical staffs are made up mainly of Jews, Anglo-Saxons and continental Europeans.

Specialization:

Real estate development on the Island of Montreal is almost exclusively a Jewish specialty. The owners of the two Jewish development companies interviewed state that they gravitated into the development field partly because of the rich opportunities offered but partly also because of their belief that senior management positions in Anglo-Saxon and French Canadian controlled companies are closed to Jews.

This leaves Jews to develop their own corporate structures or to go into the professions. Some of them have naturally chosen Real Estate Development. The absence of Anglo-Saxons is more difficult to explain but may be attributed in part to their conservatism and to the fact that they are at least generally able to earn a satisfactory living in other fields without incurring the long risks in real estate development.

The Italian developers are in a different category from the others because they are basically emissaries of native Italian capital seeking an investment outlet in Canada.

French Canadians have only recently shown any marked interest in the development field. Their rate of progress in this field has so far been restricted by their lack of experience in the presentation of their projects to capital furnishers and by their somewhat parochial outlook towards commercial activity in general. So far, their development activity has been confined mainly to the East Central section of Montreal.

2. Speculative Builders:

According to all available information, there are 249 speculative builders in the Montreal area. This figure includes operations of all sizes from the very smallest house-builder to the builder of large suburban projects on the scale of big enterprise.

The ownership of the 249 speculative builder organizations may be classified ethnically as follows:

French Canadian	126
Jewish	59
Anglo-Saxon	4
Italian	18
Others	6
Unknown	<u>36</u>
	<u><u>249</u></u>

The thirty-six classified as unknown are believed to be very small and are not a significant factor in the local picture.

French Canadian organizations are numerically the largest element in this sector of the industry. But a classification by size of organization reveals, once again, the dominance of Jewish enterprise. If the organizations are classified as large (over 100 units a year), medium (30 to 100 units a year) and small (less than 30 units a year), the ethnic distribution is as follows:

	Total	Large	Medium	Small
French Canadian	126	3	26	97
Jewish	59	11	24	24
Anglo-Saxon	4	1	1	2
Italian	18	1	6	11
Others	6	-	1	5
Unknown	<u>36</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>249</u></u>	<u><u>16</u></u>	<u><u>58</u></u>	<u><u>139</u></u>

It can be seen that 66% of the large speculative builders in the Montreal area are Jewish and approximately 20% are French Canadian. On the other hand, almost 80% of the smaller organizations are French Canadian owned and approximately 20% are Jewish. The figures also show that less than three percent of the French Canadian concerns build 100 units or more a year while 65% of Jewish speculative builders may be categorized as large. The bulk of French Canadian enterprises in this field are small.

The unimportant role played by Anglo-Saxon speculative builders is self-evident.

Interview Sample:

Other aspects of the ethnic composition and specialization of speculative builders were determined on the basis of interviews with seventeen speculative builder organizations. The interview sample, which gave due weight to size and the ethnic importance of the group, consisted of eight French Canadian firms (two large, three medium and three small), six Jewish firms (two large, three medium and one small), two medium size Italian Canadian firms and one small Anglo-Saxon organization. All the firms in the sample were incorporated under Provincial charter. All of them are of fairly recent origin with the average ages being 12 years for the French Canadian firms, 5 years for the Jewish firms, and 10 and 12 years for the two Italian firms.

Personnel:

The ownership and personnel distribution of the seventeen speculative builders organizations is summarized in Table III-15.

TABLE III-15

Personnel in Seventeen Speculative Builder Work Organizations

Ethnic Classification	Company	Class (i)	Directors & Officers	Management & Professional		Clerical	Field
				3 F.C.	3 F.C. (Managerial)		
French Canadian	1	L	3 F.C.	4 F.C. (Professional)	5 F.C., 4 A.S.,	33 F.C.	
	2	L	6 F.C.	3 F.C.	1 J, 1 O		
	3	M	3 F.C.	3 F.C.	3 F.C.	3-4 F.C.	
	4	M	N/G (ii)	2 F.C.	3 F.C.	3 F.C.	
	5	M	3 F.C.	4 F.C.	1 F.C.	12 F.C.	
	6	S	3 F.C.	All F.C.	1 F.C.	Nil	
	7	S	3 F.C.	2 F.C.	22 F.C., 8 I. →	Nil	
	8	S	3 F.C.	Nil	1 F.C.	Nil	
				Nil	Nil	N/G	
Jewish	1	L	3 J	2 F.C., 1 A.S.,	4 A.S., 1 J,	60-300	
	2	L	4 J	2 J, 2 O	1 F.C.	90% F.C.	
				1 F.C., 1 J, 1 O	3 F.C., 2 A.S.,	10-15	
					3 J, 2 O		
	3	M	2 J	3 J, 3 F.C.	2 F.C.	mixed.	
	4	M	4 J	2 J	6 F.C., 2 J	2 F.C., 1 O.	
	5	M	4 J	3 J	1 A.S., 1 F.C.	4 F.C.	
	6	S	2 J, 2 F.C.	5 F.C.	3 F.C.	All F.C.	
						All F.C.	
Italian	1	M	N/G	2 I	2 F.C., 1 I	None	
	2	M	N/G	2 I, 1 F.C.	1 J	1 I	
Anglo-Saxon	1	S	3 A.S.	1 A.S.	None	6 F.C.	

Notes: (i) L = Large; M = Medium; S - Small
(ii) N/G - Not Given.

Relationship Between Ownership and Management Personnel:

In this particular field, it can be seen that ownership and top management tend to be one and the same. In the seventeen concerns interviewed, whether individually owned or group-owned, the owner or owners are all active in management. Owners, directors and officers are, therefore, all of the same ethnic group. One small company of Jewish ownership is an unusual case in that it has two French Canadians on its Board of Directors. This company headquarters in a largely French Canadian district of Montreal and deals almost exclusively with a French Canadian clientele.

Professional Staff:

Depending on the size of the enterprise, a speculative builders organization may employ engineers, estimators, purchasing agents and accountants on its staff.

In the four large concerns interviewed, two French Canadian and two Jewish, which hire individuals in some of these categories, the following ethnic distribution of professional staff was found:

FRENCH CANADIAN COMPANIES: Engineers Estimators Purchasing Agents Accountants

Company 1	1 F.C.	-	1 F.C.	2 F.C.
Company 2	-	1 F.C.	1 F.C.	1 F.C.

JEWISH COMPANIES:

Company 1	1 F.C.	1 F.C.	N/G	2 Jewish, 1 A.S., 2 Other
Company 2	N/G	N/G	1 Chinese	1 Jewish 1 F.C.

Although the size of the sample is small, it would appear that French Canadian firms only employ French Canadians in professional functions. The Jewish firms tend to employ at least one Jew in financial control and people of any other ethnic group in the other professional functions.

The same pattern essentially applies to the medium and small firms, although the staffs are smaller and, in some instances, there are no professional or managerial personnel other than the owner. Within these size categories, the managerial or professional employees did not exceed five in number in any company interviewed.

In the six French Canadian companies of Medium or Small size, all management and professional staff are French Canadian, without exception. The two Italian companies have Italian personnel, but one of them also employs one French Canadian. In the small company of Jewish ownership previously referred to, all the employees at all levels are French Canadian. The Medium sized Jewish firms employ Jewish professional personnel, but one firm owned by new Canadians of Hungarian origin, who may or may not be Jewish, employs three French Canadians at the professional level. The small Anglo-Saxon firm interviewed has no employees other than field employees.

Clerical Staff:

Speculative builders, except for the larger organizations, employ very few clerical personnel. The ethnic composition of these personnel in the four large companies in the interview sample is as follows:

<u>FRENCH CANADIAN:</u>	<u>Total</u>	<u>F.C.</u>	<u>A.S.</u>	<u>I</u>	<u>J</u>	<u>Other</u>
Company 1	11	5	4	-	1	1
Company 2	3	3	-	-	-	-

JEWISH:

Company 1	6	1	4	-	1	-
Company 2	10	3	2	-	3	2

The large French company whose clerical staff is 50% non-French is an exception. This company sells medium-priced homes to a 90% English speaking clientele and, although French is the internal language, English is largely the external language. The other large French company is more typical of the French-Canadian speculative builders. Its clientele is largely French, its work is conducted exclusively in French with French Canadian personnel.

It is again to be noted that the Jewish concerns have a personnel of diverse ethnic backgrounds.

In the medium and small firms, a comparable pattern is found. French Canadian firms employ only French Canadians, Italian firms employ both Italian and French Canadians, and Jewish firms employ French Canadians, Jews, and Anglo-Saxons, in that order of preponderance. The one Anglo-Saxon builder interviewed had no clerical employees.

Field Personnel:

The field forces employed by speculative builders comprise, principally, superintendents, foremen, carpenters and labourers. The work of other trades is generally carried out by sub-contract. In general, however,

the relative number of personnel in any of these categories varies inversely with the size of the organization. The medium and large concerns sub-contract so much of their work that personnel below the rank of general foreman are negligible in number. For example, one builder reporting annual sales of \$2,000,000 states that he only employs three or four people in the field below the foreman level.

In general, the field forces employed by the Jewish firms tend to be smaller than those employed by the French Canadian firms because the Jewish firms sub-contract more of their work than the French Canadians do.

A review of the work force employed by the speculative builders indicates that in the French Canadian companies, the supervisory field personnel and labour force are almost wholly French Canadian. In the Jewish and Italian companies, the supervisory personnel are generally not less than 50 percent French Canadian with the balance being drawn from the same ethnic group as the ownership. The non-supervisory labour force remains largely French-Canadian in all cases.

Specialization:

It has already been shown that the field of Speculative Residential construction in Montreal is dominated numerically by French Canadians and economically by Jews. None of the other ethnic groups plays a significant role in the overall pattern.

There is a certain differentiation in the type of construction that the majority of French Canadian builders like to erect, as compared with

the dwellings erected by the Jewish builders. This differentiation is largely market controlled, because the majority of French Canadian builders, especially the smaller ones, build for a clientele that is largely French Canadian. In this market, there is a substantial demand for multiple family dwellings - duplexes, triplexes, and small apartment houses with from four to eight apartments. The majority of the medium and small French Canadian speculative builders interviewed reported activity in that type of construction. This was not the case, however, for the large building firm which builds largely for an English-speaking clientele.

The Jewish builders, on the other hand, build mainly for a mixed clientele that is largely English-speaking, where the demand is primarily for one-family houses.

There is differentiation also in the work techniques of Jewish and of French Canadian builders. French Canadian builders are essentially building trade craftsmen who have become entrepreneurs. They may be very capable within these terms of reference, but are often limited by their lack of training or experience in financial management, company organization, or land acquisition. There is evidence that this is changing; one of the very largest builders in Montreal is a French Canadian building suburban projects under what appears to be a thoroughly mature business structure. Another French Canadian builder in Ottawa has become so successful in large volume building that he has now expanded his operations to Montreal.

The Jewish builders, in the main, operate a more business oriented type of organization, to which they bring their experience in land acquisition,

bulk purchasing, and financial management. As a result of this approach, the Jewish owned speculative builder organizations tend to become medium to large volume operations. Because the approach of the Jewish builders is business rather than craft oriented, the Jewish builders subcontract more of their work than the French Canadian builders, and thus employ relatively fewer craft employees of their own.

The Anglo-Saxon builder is conspicuous by his absence. The few enterprises that are still found are mainly very small, and mostly specialize in custom built houses for the carriage trade. One such builder is the grandson of another builder who built many of what were the better houses of Westmount in the 1920's.

The reason for the almost total absence of Anglo-Saxons in the speculative builder field is not clear and could not be determined from the interviews which were carried out. To some extent, it may be due to the fact that the traditional "Anglo-Saxon" craftsmen were largely Scottish, and that their greatest skills lay in masonry work. They may have found it difficult to adapt to the popularity of wood-framed houses, in which French Canadian craftsmen excel.

Italian speculative builders build primarily for the Montreal Italian market. Of the two builders interviewed, one reported 95% of his clientele as Italian, the other reported 80%. Most of the dwellings which they construct and sell are duplexes; this situation is confirmed by the lending institutions, who report that most of the residential new construction loans made to Italians are for duplexes.

D. FINANCIAL INSTITUTIONS

There are six broad categories of financial institutions which are engaged to a greater or lesser extent in business relationships with the construction industry. These are: Banks, Finance Companies, Insurance Companies, Trust Companies, Mortgage Companies, and Bonding Companies. These categories within themselves represent specializations: the banks are engaged in short-term lending; the finance companies in intermediate financing, usually from three to five years; the insurance companies, trust companies and mortgage companies place money for the long-term. Bonding companies do not actually lend money in the usual sense; they provide performance bonds and bid bonds.

1. Banks:

Composition:

There are nine commercial banks actively engaged in business on the Island of Montreal. Six of these were interviewed for this study. Two banks with their headquarters in Toronto were not interviewed but there is little doubt that the ethnic composition of these two banks would be much the same as the ethnic composition of the Anglo-Saxon banks that were interviewed. One other bank, a French Canadian institution, refused to be interviewed on the grounds that the chief executive was not interested in the work of the Royal Commission.

A 'Caisse Populaire' with jurisdiction over eight dioceses was also selected for interview. Although not a bank within the legal definition of the term, this institution performs a quasi-banking function and, in the interest of compactness, is classified as a bank in this study.

Of the seven banks interviewed (six commercial banks plus one Caisse Populaire), ~~three~~ may be said to be Anglo-Saxon in ethnic classification, two are predominantly French Canadian, one is mixed French Canadian and Anglo-Saxon and one is the subsidiary of a major American bank. Two of the Anglo-Saxon banks have their head offices in Montreal and one, in Toronto. The two French Canadian banks have their head offices in Montreal. The bank of mixed ethnic origin has its head office in Montreal and so does the subsidiary of the American bank. All of the Anglo-Saxon banks started in the early 19th century, as did the bank of mixed ethnic composition. The French Canadian banks are of more recent origin having started in the 1920's.

With respect to the ethnic composition of banking, there are three notable features:

- (i) First is the virtual absence of Jewish, Italian and other ethnic representation on the Board of Directors in senior management levels. There is recent, Jewish representation on the Board of only one of the Anglo-Saxon banks and there is none in any of the French Canadian banks. There is absolutely no representation by Italians or other ethnic groups on any of the Boards of Directors.
- (ii) The Boards of Directors and senior executive officers are drawn from the same ethnic group as the general ethnic characteristic of the Bank.

For example, in the two French Canadian banks interviewed, all of the Board of Directors and senior

executives are French Canadian. In one of them it was said that there are possibly one or two bilingual Irish on the Board but that they are thought of as French Canadian. In the Anglo-Saxon banks, the Boards, with the exception of some French Canadian and Jewish representation on the Board of one of them, are almost entirely Anglo-Saxon. The Presidents are also Anglo-Saxon. In the bank of mixed ethnic characteristics, four of the Board are French Canadian and six are Anglo-Saxon. The senior executives are, however, French Canadian.

(iii) The third important ethnic aspect of banks has to do with the relationship between the ethnic composition of lower level personnel and the ethnic composition of the Board of Directors and top management. In the French Canadian banks, both the upper and lower level personnel appear to be entirely French Canadian. The Anglo-Saxon banks, in contrast, generally have a mixed ethnic composition in the lower levels of supervisory and clerical personnel. They claim to have recognized the ethnic heterogeneity of their customers on the Island of Montreal and to be aware of the need to accommodate them in their own language. They state that they always have a bilingual manager or a French-speaking manager in a French Canadian district in the city, Italian speaking managers in predominantly Italian districts and English-

speaking managers in the Anglo-Saxon districts. They also have personnel of mixed ethnic composition in the Montreal district credit department.

The pattern of employment and ethnic groupings for the seven banks visited is summarized in Table III-16.

From this Table and from statements made by officers of the banks it may be deduced that the Anglo-Saxon banks derive their deposits from and make their loans to all ethnic groups. The French Canadian banks, judging by the ethnic composition of their work force, derive their deposits from and make their loans primarily to French Canadians or, at least, to customers who are French speaking.

Bilingualism is pronounced throughout all of the banks. In the French banks, in particular, it is claimed that all employees are bilingual. The Anglo-Saxon banks do not reach this level of linguistic competence; nevertheless, the degree of bilingualism among the personnel in the credit departments dealing with Montreal customers ranges from 40% to 50% of the work force. The only bank which, on the basis of the interview, does not claim to be making a pronounced effort to encourage bilingualism is the Canadian subsidiary of the American bank, where the manager was only able to say that he "thought" that a substantial number of the employees were bilingual and also "felt" that his bank encouraged the staff to learn French.

In the Anglo-Saxon Canadian banks, there is direct encouragement to learn French and there has been so for the past four or five years.

TABLE III-16

Ethnic Composition of Personnel in Six Commercial Banks
and One Caisse Populaire

Function	Anglo-Saxon Banks			French Canadian Banks			Mixed Banks			Subsidiary of U.S. Bank		
	1.	2.	3.	1.	2.	3.	1.	2.	3.	1.	2.	3.
Directors	Majority Anglo-Saxon, with some French Canadian and Jewish representation.			All French Canadian, possibly one or two bilingual Irish in Bank No. 1.			4 F.C. 6 A.S.					
Senior Officers	Generally Anglo-Saxon, some divisions manned by French Canadians.			All French Canadian.			French Canadian			Doesn't know		
Branch Managers or Agents	Several nationalities			Mostly French Canadian, a few Italians in Bank No. 1.			66 F.C. 1 Italian 1 Irish			Doesn't know		
Montreal Credit Department:												
- Managers & Supervisors	5 A.S. 2 F.C. 60% A.S.	9 A.S. 6 F.C. 50% A.S.	1 A.S. 1 F.C.	All French Canadian.			All French Canadian.			All French Canadian.		
- Clerks				7 Nationalities represented								

While most of the French Canadian employees of these banks are found to be bilingual before joining the bank, the banks are endeavouring to teach French to the Anglo-Saxons in Montreal. One of the banks is also holding English classes for French Canadians in Quebec City. It has also established a Commission to explore ways of intermingling the French and English personnel to encourage bilingualism.

As might be expected, the working language in the office in the Anglo-Saxon banks is usually English, although French is used when speaking to French Canadian managers. The French Canadian banks use French as the working language, while the bank of mixed ethnic composition claims to be fully bilingual. It would also appear that the banks with their head offices outside of the Province of Quebec correspond with their head offices in English.

Customers in banks on the Island of Montreal are generally able to use either English or French when applying for their loans. The French banks, however, correspond in French with the Branch Managers while the English banks generally correspond in English.

Specialization:

There is no doubt that the banking community is largely dominated by people of Anglo-Saxon origin. It would be hard to conclude from this, however, that banking is an Anglo-Saxon specialty. The major reason for the dominance of one ethnic group would seem to be that the Anglo-Saxons established national banks many years ago and that it is difficult for the relatively more recent French Canadian banks to catch up with the Anglo-Saxon banks either in the volume of business or the scope of their business, especially when their activities are restricted to the

Province of Quebec. There is no clear cut explanation for the absence of Jews and Italians in banking. One bank says that it does not employ Jews for the simple reason that Jews do not like to work in banks and, therefore, never apply for jobs. The same answer does not necessarily apply to Italians, for the banks do have some Italian managers.

There is no ethnic specialization on the part of the Anglo-Saxon banks so far as their sources of money are concerned. They take pride in their belief that money knows no nationality. They, therefore, tap all sources of money without regard to its ethnic identity. The French Canadian banks, whether by circumstances or by design, tend to tap French Canadian sources of money. This conclusion has already been suggested by the ethnic composition of the work force of the French banks.

There seems to be the same lack of specialization on the part of Anglo-Saxon banks and the same relative specialization on the part of French banks in the placement of money. The Anglo-Saxon banks were unable to give a breakdown of their loans to the construction industry, either by classes of construction or by ethnic groups as, they stated, they do not keep their records in this way. They were all of the opinion, however, that such a classification would show their portfolio encompassing all ethnic groups and all phases of construction activity. The French Canadian banks, on the other hand, were able to give a breakdown of their loans on these bases. One of them stated that its loans are distributed approximately 95 percent for residential construction and five percent for commercial construction. The ethnic distribution of these loans

shows 90 percent going to French Canadians, seven percent to Italians and three percent to "Others". A tabulation of loans by the other French Canadian bank relating the type of construction to the ethnic identity of the borrower is as follows:

<u>Type of Construction</u>	<u>Proportion of Loans</u>	<u>Ethnic Identity of Borrowers</u>
Single-family dwellings	70%)	50% French Canadian
Duplexes and Triplexes	10%)	50% Others
Apartments	10%)	Mostly Jewish
Commercial buildings	3%)	
Industrial	3%)	Mostly French Canadian
Institutional	3%)	

2. Finance Companies:

Although there are a large number of finance companies on the Island of Montreal, only three companies have any important business dealings with the construction industry. Of these three, one is predominantly Anglo-Saxon in ethnic composition, one is French Canadian and the other is primarily European-French. The Anglo-Saxon firm started 40 years ago; the French Canadian firm, 13 years ago; and the European-French firm, before the turn of the century. All of the three companies have their administrative headquarters in Montreal.

In ethnic composition, the predominance of Anglo-Saxons and French Canadians in this financial field is noticeable. The Anglo-Saxon company has on its Board thirteen Directors of Anglo-Saxon origin and two of French Canadian origin. The French Canadian company has a mixed board of French Canadians and Anglo-Saxons. The European-French firm has six Directors from Paris and six from Montreal, three of whom are French Canadian. The President and Senior Executives of the

Anglo-Saxon firm are similarly Anglo-Saxon (three French Canadians were recently promoted to Executive positions, however), the President and all but one of the senior executives of the French Canadian firm are French Canadians, while the President of the European-French firm is of European French origin. The ethnic composition of the senior work force in these three companies is summarized in Table III-17. From this Table it can be seen that Jews and Italians are again noticeably absent, that an Anglo-Saxon financial firm tends to employ Anglo-Saxons in the ranks of the senior executives, and that the French Canadian and European-French firms employ French Canadians. There is one Anglo-Saxon Vice-President in the French Canadian firm. He is said, by the President of the Company, to be extremely well versed in financial matters and to be a valuable contact with the Anglo-Saxon institutions from which the finance company obtains a great deal of its funds. It is of interest to note that this one executive is not bilingual.

In all three of the companies, personnel who meet the public are required to be bilingual. The Anglo-Saxon firm, in fact, has a training programme, and the European-French firm will pay the cost of a course for employees who wish to become bilingual. In the French Canadian firm such a training programme is not thought to be necessary since all the employees are required to be bilingual at the time of hiring.

The language of business within the company tends to follow the ethnic origin of the control of the company. For example, in the Anglo-Saxon firm English is used with the senior officers, although French and English are used within the Mortgage Loan Department. In the European-French firms, French is used in the office. French is used in the

TABLE III-17
Ethnic Composition of the Senior Work Force in
Three Finance Companies

<u>Function</u>	<u>Anglo-Saxon</u>	<u>French Canadian</u>	<u>European-French</u>
Directors	13 Anglo-Saxon 2 French Canadian	French Canadian and Anglo-Saxon	6 European-French 3 French Canadian 2 European-French who live in Montreal 1 American
President	Anglo-Saxon	French Canadian	European-French
Other Executives	21 Anglo-Saxon 3 French Canadian	All French Canadian except for unilingual, Anglo-Saxon Vice- President	European-French and French Canadian
Montreal Credit Department:			All French Canadian
- Manager	French Canadian		
- Assistant Manager	Egyptian French		
- Credit Officers	2 F.C., 1 A.S.		
- Employees	5 F.C., 5 A.S.		

French Canadian firm, except in business discussions with the unilingual, Anglo-Saxon Vice-President. This firm states that it makes its presentations in English for loans from the Anglo-Saxon financial institutions and also prepares its publicity in English which is then translated into French.

Application forms for loans are available in French and English in the Anglo-Saxon company but, since English is the language of the Company, the records are kept in English. In the French Canadian and European-French companies, the forms are available in both languages and are said to be processed in either.

Deeds are prepared in both languages in all three companies and are usually processed in the language in which they are prepared.

In all three companies, as a matter of company policy, the manager of the Mortgage Loan Department is bilingual and personnel hired by the company for the Mortgage Loan Department are all required to be bilingual.

In none of the companies is any ethnic group accorded any particular advantage. However, the Anglo-Saxon company is national in scope and, for this reason, if for no other, the majority of senior executives are Anglo-Saxon.

Specialization:

The fact that the three major finance companies dealing with the construction industry are all of a different ethnic origin suggests that specialization within finance is not related to ethnic origin. The major conclusion, as already stated, is that Jews, Italians and ethnic

groups other than French Canadian and Anglo-Saxon either have not tried to make careers in finance companies or have not risen to positions of prominence.

There appears to be no specialization with respect to sources of money. All three companies obtain their funds from the best available source without regard to ethnic identity of the supplier. To a very limited extent there is some specialization with respect to the placement of money in terms of the types of construction. The Anglo-Saxon company places its money in the construction industry in commercial and industrial second mortgages, the French Canadian company tends to specialize in residential second mortgages and the European firm places its money mostly in first mortgages over the entire spectrum of the construction industry with most emphasis in residential and commercial construction. Similarly, there is said to be no preference for placing money with any particular ethnic group, but the small proportion of loans made to Anglo-Saxons is noticeable. The portfolio of the Anglo-Saxon firm shows a breakdown of loans by the ethnic identity of the borrowers as:

French Canadian	57.17%
Anglo-Saxon	9.62%
Jewish	33.21%
	<u>100.00%</u>

The French-Canadian firm lends 90% of its money to French Canadians and 10% to Italians. The European-French firm lends mostly to French Canadians and Jews with 44% of its money going to Jews and 38% to French Canadians. A detailed breakdown of the placement of money by two of these institutions is shown in Tables III-18, III-19 and III-20.

TABLE III-18

Percentage Distribution of Loans for New
Construction in the Montreal Region by an
Anglo-Saxon Finance Company, 1965

<u>Type of Construction</u>	<u>Ethnic Identity of Borrower</u>				<u>Totals</u> <u>%</u>
	<u>French Canadian</u> <u>%</u>	<u>Anglo- Saxon</u> <u>%</u>	<u>Jewish</u> <u>%</u>	<u>Italian & Others</u> <u>%</u>	
A. Commercial					
a) Apartments	-	0.89	22.13	-	23.02
b) Office Bldgs.	-	-	5.20	-	5.20
c) Shopping Centres	4.31	-	1.04	-	5.35
d) Motels/Hotels	10.71	-	-	-	10.71
e) Gas Stations	-	-	0.15	-	0.15
B. Industrial					
a) Light	1.42	0.24	0.59	-	2.25
b) Heavy	-	-	-	-	-
C. Institutional					
a) Schools	-	-	-	-	-
b) Hospitals	-	1.05	-	-	1.05
c) Churches	-	-	-	-	-
D. Land	<u>40.73</u>	<u>7.44</u>	<u>4.10</u>	<u>-</u>	<u>52.27</u>
	<u>57.17</u>	<u>9.62</u>	<u>33.21</u>	<u>Nil</u>	<u>100.00</u>

Notes:

- (i) Distribution based on dollar value of loans outstanding.
- (ii) Loans include land since bought mostly for the purpose of housing development.
- (iii) Loans for new construction by this company are much less than mortgage loans on existing buildings.

TABLE III-19

Distribution of Loans by Class of Construction in the
Montreal Region by a European-French Finance
Company, December 31, 1964

Type of Construction	Percentage Distribution of Number of Loans	Percentage Distribution of Dollar Amounts
Residential	71.2	51.4
Semi-Commercial	15.9	16.3
Commercial	7.4	22.5
Industrial	4.7	8.3*
Hotels & Motels	0.7	1.4
Parking Lots	0.1	0.1
	<u>100.0</u>	<u>100.0</u>

TABLE III-20

Distribution of Loans by Ethnic Identity of Borrowers
in the Montreal Region by a European-French Finance
Company, August 1965

Ethnic Identity of Borrowers	Percentage Distribution of Number of Loans	Percentage Distribution of Dollar Amounts
French Canadian	56.12	38.30
Anglo-Saxon	6.66	3.28
Jewish	23.07	44.08
Italian	4.92	4.82
Others	9.23	9.52
	<u>100.00</u>	<u>100.00</u>

These tabulations disclose a number of interesting facts and relationships. For example, the importance of Jewish enterprise in the construction industry, particularly in commercial construction, is again revealed. Jews are virtually the only customers of the Anglo-Saxon company for loans for apartments and office buildings. In the European-French company, individual loans to Jews are for substantial sums of money since the dollar proportion of loans to Jews is twice the numerical importance of Jewish loans. In general, the number of loans made to Jews and the dollar amounts involved are quite out of proportion to Jewish representation in the general population.

The conservatism of French Canadians is revealed in Table III-18 in that seventy percent of the loans made to French Canadians by the Anglo-Saxon company were for land acquisition. Although precise data could not be obtained, it would also appear that a high proportion of the residential loans by the European-French company were made to French Canadians for individual home construction.

All the data in these tables confirm the findings reported earlier in this chapter: French Canadian entrepreneurs are active in home construction, generally on a small scale, and in some phases of commercial construction; Jews predominate in real estate development and commercial construction; Anglo-Saxons are not important in these fields, directing their efforts more to industrial construction for which other sources of money are available; and Italians are of relatively minor importance in the entrepreneurial phases of the industry.

3. Insurance Companies:

Composition:

Of the six major insurance companies engaged in making loans for construction on the Island of Montreal, only two may be thought of as primarily Quebec companies. Two of the remaining four have their head offices in other cities in Canada, a third is a British company with its head office in England and the fourth is an American Company. All of these companies, with one exception, are 75 years old or more. The only company that may be thought of as either French Canadian or mixed Anglo-Saxon/French Canadian started its business in 1905. There have, therefore, been no major insurance companies started in the last sixty years..

A review of the ethnic composition of the Board of Directors of these companies indicates that the insurance field is dominated by men of Anglo-Saxon extraction. In all of the six companies, there are only seven French Canadians on the Board and five of these are in one of the companies. There are no Italians, Jews or other ethnic groups on the Board of Directors. In all of the companies but one, the President is Anglo-Saxon and most of the senior personnel are Anglo-Saxon.

The managers of the Mortgage Departments, again with the exception of the predominantly French Canadian company, are Anglo-Saxon. Nevertheless, bilingualism is pronounced with from sixty-six to one hundred percent of the personnel in the Mortgage Departments able to speak French and English, except in the British Company in which only 30% of the personnel in the Department are said to be bilingual. In the Anglo-Saxon companies, the working language within the Mortgage Department is either English and French or English. In the one French

Canadian firm, the working language within the office is French and, with clients, it is 60% French and 40% English. All of the companies state that there is a shortage of talented bilingual personnel at the salaries offered by the industry. Their present emphasis on bilingualism is also making it increasingly difficult to find competent Anglo-Saxons, only a few of whom are bilingual. There is, therefore, a trend towards a higher proportion of the staffs of the departments being French Canadians.

In their relationships with their clients, these companies conduct business in the language of the client, which is usually English or French. One company goes so far as to correspond in French to a French Canadian client even when the client writes to the company in English. Application forms are available in both languages as are mortgage deeds. Usually, the forms are processed in English, except in the case of the French Canadian firm which processes its forms in French. The managers of the Mortgage Departments all state that it is absolutely vital today for men in their particular position in the industry to be fluently bilingual.

Specialization:

It would be difficult to argue that insurance is a specialization of the Anglo-Saxon members of the community. The simple fact seems to be that British and American capital, in particular, was available many years ago for these institutions and that the institutions have grown to the point that entry into the industry by newcomers would be decidedly difficult. The absence of any new entrants to the field from any ethnic group in the past sixty years tends to support the view that significant barriers to entry exist.

Insurance companies obtain their money from a variety of sources, all without regard to its ethnic origin. In the Province of Quebec and in Montreal in particular, however, they recognize the importance of the French Canadian market, hence are promoting French Canadians to important regional positions in this Province, whenever possible, and are encouraging and, in most cases, requiring bilingualism among their staff.

Just as there is no particular preference with regard to sources of money, so there is no particular preference with regard to the placement of money. To the extent that any preferences are in evidence, they would only be that the one French Canadian company places 90 - 95% of its money in residential loans and 5 - 10% in commercial loans and that its loans by major ethnic groups are mostly to French Canadians, as the following condensed tabulation of its loans outstanding by ethnic groups shows:

Anglo-Saxon	2%
French Canadian	63%
Jewish	20%
Italian	15%
	<u>100%</u>

The Anglo-Saxon insurance companies, in contrast, place their money across all phases of construction (with loans for commercial, residential and industrial purposes) and lend to all ethnic groups, with the bulk of the money going to Jewish clients. For example, one company gave a breakdown of its loans for all purposes as:

Anglo-Saxon	20%
French Canadian	10%
Jewish	70%
	<u>100%</u>

Another company said that in terms of dollar volume most of its loans are to Jews. French Canadians in this case actually take out more mortgages but their loans are for a multiplicity of small units. In this company, the Anglo-Saxon is said to be a poor third both in number and in amount of loans. In another company, of four pending applications, one was from an Anglo-Saxon borrower and the other three were from Jewish applicants.

Among the Anglo-Saxon insurance companies, there is one exception to the general tendency to lend a very high proportion of total funds outstanding for new construction to Jewish borrowers. This company's head office is outside the Province of Quebec, but, through its Montreal branch, it has made a determined effort to obtain French Canadian business. The mortgage manager observed that, in his view, French Canadians are often embarrassed when seeking to borrow money so that their business has to be actively solicited. He also finds that French Canadians are quite inexperienced in preparing the necessary documentation for a loan application and have to be encouraged to seek professional assistance in this respect. That this company has had some success in its promotional endeavours is demonstrated in Table III-21 which shows its distribution of loans by the ethnic identity of borrowers for 1962-1965 inclusive. It is to be noted that the three largest individual loans have been made to a French Canadian, an Italian and a borrower from the "Other" ethnic category. Also to be noted is the fact that the average loan to French Canadians is four times greater than the average loan to Jewish borrowers and more than three times the average loan to Anglo-Saxon borrowers.

TABLE III-21

Ethnic Distribution of Borrowers from an Anglo-Saxon Insurance Company
1962-1965
(In thousands of dollars)

<u>Year</u>	<u>Anglo-Saxon</u>	<u>French Canadian</u>	<u>Jewish</u>	<u>Italian</u>	<u>Others</u>
1962	\$3,200.0 650.0	\$6,000.0 150.0	\$104.0 150.0 58.0 750.0		
1963		1,000.0 2,000.0 8,400.0 1	3,000.0 1,000.0 1,500.0 43.0 252.0 235.6 62.3		
1964	4.5 175.0 662.0 650.0 4.9	581.2 175.0 662.0 650.0 175.0 50.0 28.0	66.0 650.0 1,250.0 667.3 175.0 50.0 28.0	\$9,000.0	\$74.5 26,000.0
1965	4.2 8.0 4.8 1,800.0 500.0 \$7,663.4	1,800.0 500.0 54.0 \$21,918.2	490.0 31.3 54.0 \$10,616.5	\$9,000.0	\$26,074.5
Number of Loans	12	11	21	1	2
Average Loan	\$638.6	\$1,992.6	\$500.5	-	-
Average per Month	\$170.3	\$487.1	\$235.9	\$200.0	\$579.4
Average per Year	\$2,043.6	\$5,844.9	\$2,831.1	\$2,400.0	\$6,953.2

4. Trust Companies:

Composition:

Of fourteen major Trust Companies in business on the Island of Montreal, eleven were selected for interview in this study on the basis of the importance of their business dealings with the construction industry. All of them are companies with well established roots, the most recent of them being formed in 1928 and the oldest in the middle of the last century. Six of the companies have their head offices in Montreal, the others being directed from other Provinces, particularly Ontario. Eight of the companies would be identified as being Anglo-Saxon in ownership, control and public image. The other three are thought of as French Canadian companies.

In ethnic composition, the Boards of Directors of the three French Canadian companies are wholly French with the exception of one Irish Catholic who has been added to the Board of one of the companies during the past three years. There was one Anglo-Saxon on the Board of one of these companies, but he was dropped recently.

The Boards of the Anglo-Saxon companies are similarly homogeneous, although it should be noted that four of them have French Canadian representation on their Board. One of the Anglo-Saxon companies also has one Jew on its Board. There are no Italians reported on the Boards of any of the companies, French or English, and no representatives of other ethnic groups.

One interesting recent development in the Anglo-Saxon Trust companies has been the creation of Regional Boards. These boards have enabled the companies to decentralize their operations throughout the country.

In addition, they have enabled them to give appropriate recognition to French Canadians on the Montreal Regional Board without, presumably, disturbing the make-up of the Corporate Board for purely ethnic reasons. Three of the Anglo-Saxon companies reported having a bi-ethnic Regional Board in this sense.

The ethnic identity of the senior executives in these companies reflects, almost without exception, the predominant ethnic pattern of the ownership. This ethnic unity is completely established in the three French Canadian companies and extends down to the lower level personnel in the mortgage loan department. The pattern is different in the lower levels of the Anglo-Saxon companies. Employment of French Canadians, and members of other ethnic groups, is becoming increasingly common in departments which deal directly with the public. The general tendency was well expressed by the unilingual mortgage manager of one of the largest Anglo-Saxon Trust Companies who said: "I am ready to recommend a French Canadian for my job the same day that I find one with the necessary training and experience". All of the other personnel in this department were French Canadian. He felt very strongly that the manager should be of the same ethnic background so that the company would not suffer through lack of a wholly French Canadian image in its Montreal department. This particular manager was hopeful that as soon as a replacement were found for him, he (the manager) would be promoted and transferred to another Province.

A summary distribution of the ethnic composition of employees at relevant levels in the eleven trust companies included in the survey is contained in Table III-22.

TABLE III-22
 Summary Distribution of Ethnic Composition of Officers
 and Employees in Eleven Trust Companies

Function	Ethnic Identity of Company					
	<u>A.S.</u>	<u>A.S.</u>	<u>A.S.</u>	<u>A.S.</u>	<u>A.S.</u>	<u>F.C.</u>
Directors	Mainly A.S., Some F.C.	Mainly A.S.	A.S.	Mainly A.S. Montreal A.S.	A.S. (3 F.C. on Regional 3 F.C., 7 A.S.)	15 A.S. 2 F.C. & 1 J F.C. Regional Board)
Officers	All A.S. except the F.C. President	Mainly A.S. One F.C. is Asst. General Manager	A.S.	A.S.	A.S.	A.S.
Mortgage Loan Dept. or Montreal Branch:						
a) Manager	A.S.	A.S.	A.S.	A.S.	F.C.	F.C.
b) Employees	Mainly F.C.	3 F.C. 2 A.S. 2 1	Mixed	Mainly 90%F.C. A.S. & 10%A.S. 2 F.C. Others	1 Irish 50%A.S. F.C. 50%F.C.	(187F.C.) (10A.S.) (3 I.)

Despite the close ethnic identity between the ownership and the directors, officers and managers of the mortgage loan departments in all of these companies, bilingualism is widespread. All of the French Canadian managers are bilingual, and all but two of the Anglo-Saxon managers are bilingual. All of them would recommend that their replacement be bilingual because "bilingualism is now necessary to do business in Montreal". The degree of bilingualism among the staffs runs from a low of 50 percent to a high of 100 percent. Where the employees meet the public the companies all try to hire bilingual personnel, and two of the Anglo-Saxon and one of the French Canadian companies pay for the instruction of unilingual employees. The companies that do not underwrite these costs will not hire unilingual employees for the mortgage loan department.

The emphasis on linguistic ability for certain departments in the Trust field in Montreal has led to two observations from the companies concerned. The French companies claim that because they insist on an ability in two languages, they cannot hire Anglo-Saxons since so few of them are bilingual. The Anglo-Saxon companies, on the other hand, state that they have difficulty in finding French Canadians trained in the field of investments. The shortage of supply is said to explain the continued presence of Anglo-Saxon managers in the mortgage loan departments when the ethnic composition of the other personnel in these departments is becoming increasingly French Canadian.

These tendencies in the Anglo-Saxon companies are further supported by the data on language used in the office. Six of the eight Anglo-Saxon

companies report that work within the mortgage loan department is conducted in English and French. The processing of forms is similarly done in either language. One of the French Canadian companies is also completely bilingual in its internal conduct of business and in the processing of loan applications. The other two French Canadian companies work mostly in French and two of the Anglo-Saxon firms work mostly in English.

In dealing with clients, all of the companies provide forms in English and French, and conduct their business and correspondence in the language of the client. None of the Anglo-Saxon companies appears to have any difficulties in meeting this requirement. To the extent that they do, they will overcome their difficulties, they say, by adding more French Canadians to their staffs. Four of the Anglo-Saxon companies expect the personnel in their Montreal branches to be wholly French Canadian in the near future.

Specialization:

As with the other major areas of finance, the trust company field appears to be closed to Italian and Jewish ownership. The field is clearly dominated by Anglo-Saxons and French Canadians, with the former in the majority both in terms of number of companies and in the volume of business transacted. Although to French Canadians, trust company operations may appear to be an area of Anglo-Saxon enterprise, the image being projected by the companies in Montreal and Quebec is becoming increasingly French.

Despite the pronounced ethnic emphasis in their personnel policies, particularly for departments that deal with the public, the Anglo-Saxon companies derive their funds from all ethnic groups. Like the

banks, finance and insurance companies, these trust companies do not relate their financial sources, other than equity capital, to ethnic characteristics. The same attitude is taken by two of the French Canadian companies. The other French Canadian firm is an exception. It obtains the majority of its money from a French Canadian insurance company and rarely taps the general market for funds.

In the placement of money, the commercial practices of the two ethnic groups differ and these, in turn, have a bearing on the distribution of their funds to the different ethnic groups. All three of the French Canadian companies lend most of their money to French Canadians, Italians and "Others" for residential construction. The company which obtains money from an insurance company, for example, lends 90 percent of these funds to French Canadians for residential purposes and, according to the manager of the mortgage loan department, "is very happy that a French Canadian company is able to respond to the needs of French Canadians". On its own account, this company lends almost all of its money against residential mortgages, of which 50 percent go to French Canadians and the other 50 percent to members of "Other" ethnic groups. A second French Canadian company makes 100% of its loans against residential mortgages. The average ethnic distribution of its portfolio is as follows:

French Canadian	40%
Italian	50%
Anglo-Saxon	2%
Jewish	2%
Other	6%
	<u>100%</u>

A list of the most recent one hundred loans for this company shows a similar distribution:

French Canadian	30%
Italian	46%
Anglo-Saxon	Nil
Jewish	3%
Others (of which 50% Ukrainian)	<u>21%</u> <u>100%</u>

The third French Canadian company's portfolio is different in degree from the two proceeding companies, but not in kind. This company is regarded by businessmen as the most progressive of the three. Its management has instructed its employees, for instance, to concentrate on business affairs, not to take a position on ethnic issues and not to be nationalistic. This company's portfolio of loans classified by type of construction and by ethnic identity of the borrower is as follows:

Type of Construction		Ethnic Identity of Borrower	
Residential	61.76%	French Canadian	11.09%
Commercial	32.00	Jewish	23.34
Institutional	5.76	Anglo-Saxon	0.35
Industrial	0.48	Italian	9.58
	<u>100.00</u>	Other	<u>55.64</u>
			<u>100.00</u>

The investment portfolios of all the Anglo-Saxon companies could not be obtained, but those that were made available reveal some interesting contrasts with the lending policies and practices of the French Canadian institutions. One company, which has a fully bilingual and almost wholly French Canadian mortgage loan staff, does most of its business in Eastern Montreal. This company lends principally for residential purposes and only rarely makes industrial, commercial or

institutional loans. Its portfolio breaks down ethnically as follows:

French Canadian	80%
Italian	10
Others (Polish, Jewish, Ukrainian)	<u>10</u>
	<u>100%</u>

The company appears to borrow from the community in Western and Central Montreal and, indeed, from all over Canada, but directs its funds in Montreal to the Eastern sector of the City. A second Anglo-Saxon company, which operates from offices in the down-town section of Montreal also concentrates on loans for residential and small commercial construction projects. Its loans are generally small and are distributed in the following ethnic proportions:

French Canadian	60%
Anglo-Saxon	25
Others	<u>15</u>
	<u>100%</u>

Two other Anglo-Saxon companies lend on a wide range of construction projects, including residential, commercial, industrial and high-rise apartment buildings. The clientele of one of these companies is 50 percent French Canadian and 50 percent Jewish. The distribution of loans in the other company varies to a certain extent between single proprietorships and corporations, with Jewish borrowers unimportant in the first category and very important in the second. The distribution of loans to the various ethnic groups for this company is reported as follows:

<u>Single Proprietorships</u>	<u>Corporations</u>
Anglo-Saxon	25%
French Canadian	60
Jewish	5
Italian	<u>10</u>
	<u>100%</u>
Anglo-Saxon	10%
French Canadian	50
Jewish	40
Italian	<u>Nil</u>
	<u>100%</u>

One of the Anglo-Saxon companies, with offices throughout Canada, made available a tabulation of new construction loans placed between April 1964 and April 1965, cross-classified as to type of construction and ethnic identity of the borrower. The company gave similar data covering 32 loans approved out of 200 applications processed in the six-month period prior to the interview in August 1965. The figures, which are summarized in Tables III-23 and III-24, show the predominance of the Jewish entrepreneur in commercial construction. Over the twelve-month period, Jews borrowed almost nine million dollars out of total borrowings of nine and three-quarter million dollars. French Canadians had not borrowed heavily during this period, and Anglo-Saxon borrowers were non-existent. During the more recent six-month period, French Canadian activity apparently increased to the point that loans to French Canadians represented 60 percent of the total money placed.

When the evidence is reviewed, there is a marked indication that in contrast to the French Canadian trust companies, which lend mostly on residential construction to French Canadians, Italians, and "Others", the Anglo-Saxon companies spread their funds more broadly both by class of construction and by ethnic groups. The two outlets that do not seem to be served, probably because they have other sources of money, are Anglo-Saxon and industrial borrowers. The two classes, perhaps, go together.

TABLE III-23

Ethnic and Functional Distribution of Mortgage Loans for New Construction Made by an Anglo-Saxon Trust Company's Montreal Office from April 1964 to April 1965

	Borrower					<u>Total</u>
	<u>Anglo-Saxon</u>	<u>French Canadian</u>	<u>Italian</u>	<u>Jewish</u>	<u>Mixed & Others</u>	
I <u>RESIDENTIAL</u>						
a) Small Residential						
No. of Borrowers	4	2	10	1 (U.K.)		17
Total Amount	\$225,000	\$95,000	\$492,000	\$100,000	\$912,000	
Average Amount	56,200	47,500	49,200	100,000	53,600	
b) Apartments						
No. of Projects			3			3
Total Amount			\$1,700,000		\$1,700,000	
Average Amount			570,000		570,000	
III <u>INSTITUTIONAL</u>				\$325,000		325,000
				(Synagogue)		
III <u>INDUSTRIAL</u>						
No. of Projects	1	1	12			14
Total Amount	\$22,000	\$70,000	\$3,435,000		\$3,527,000	
Average Amount	22,000	70,000	286,000		252,000	
IV <u>COMMERCIAL</u>						
a) <u>Hotels-Motels</u>						
No. of Projects			2			2
Total Amount			\$800,000		\$800,000	
Average Amount			400,000		400,000	
b) <u>Shopping Centers and Stores</u>						
No. of Projects	2		4			6
Total Amount	\$250,000		\$2,040,000		\$2,290,000	
Average Amount	125,000		510,000		381,600	
c) <u>Office Buildings</u>						
No. of Projects			1			1
Total Amount			\$525,000		\$525,000	
Average Amount			525,000		525,000	
TOTAL	Nil	\$497,000	\$165,000	\$8,992,000	\$100,000	\$9,754,000

TABLE III-24

Ethnic and Functional Distribution of Thirty-Two Mortgage Loans
for New Construction Approved by an Anglo-Saxon Trust Company's
Montreal Office, Six Months to August 1965

Borrower						
	Anglo-Saxon	French Canadian	Italian	Jewish	Mixed & Other	Total
<u>I RESIDENTIAL</u>						
a) <u>Small Residential</u>						
No. of Borrowers	1	4	1	4		10
Total Amount	\$27,550	\$112,800	\$20,600	\$312,000		\$472,950
Average Amount	\$27,550	28,200	20,600	78,000		47,295
b) <u>Apartments</u>						
No. of Projects		3		2		5
Total Amount		\$6,500,000		\$1,273,000		\$7,773,000
Average Amount		2,170,000		636,500		1,554,600
<u>II INSTITUTIONAL</u>						
<u>III INDUSTRIAL</u>						
No. of Projects	1	2	1	6	2	12
Total Amount	\$70,000	\$151,600	\$355,000	\$1,055,000	\$170,000	\$1,801,600
Average Amount	70,000	75,800	355,000	176,000	85,000	150,100
<u>IV COMMERCIAL</u>						
No. of Projects		1		4		5
Total Amount		\$1,100,000		\$1,875,000		\$2,975,000
Average Amount		1,100,000		469,000		595,000
TOTAL	\$97,550	\$7,864,400	\$375,600	\$4,515,000	\$170,000	\$13,022,550

5. Mortgage Companies:

Mortgage companies, as the term implies, lend money against mortgage security on land and buildings. Such companies are relatively new on the Montreal financial scene. Two of the three companies now in this field, for example, were started in 1959 and 1960, respectively. The third company, which acts as agent for four British insurance companies, was formed in 1932.

The most distinctive feature of mortgage companies in Montreal is that all three are French Canadian owned, controlled and directed. The Boards of Directors of two of the companies are entirely French Canadian with the exception of one European (from the Middle East) on one of them. The ethnic breakdown of the Board of the third company could not be obtained. In all three companies, the President and other personnel are generally French Canadian. The sole exceptions are the President's secretary, the chief appraiser and the corporate secretary-treasurer, all of whom are Anglo-Saxon, in the company which acts as agent for the British insurance companies. This field may be said to be dominated by French Canadians. As the President of one of the companies put it: "the Anglo-Saxons are the best qualified in finance, but in this field French Canadians are it."

Bilingualism is a necessity in the mortgage lending business as it is presently constituted. All of the companies state that they use French in the office but have to be able to speak in either French or English with their clients. In the case of one of the companies, language is not much of a problem since it deals largely with French Canadian clients. This company used to have its loan forms and deeds printed in

both languages, but has discontinued carrying English forms as they are never asked for. Perversely enough, a second company prints its loan forms and deeds only in English as the French forms were never asked for.

In the mortgage lending field, there would appear to be some correlation between language and the class of loans made and the ethnic identity of the borrower. The company which conducts its business primarily in French both internally and externally lends mostly to a French Canadian clientele for residential construction. The company which conducts 90 percent of its business with its clients in English places money, as a matter of preference, solely with Anglo-Saxon clients against first mortgages on office buildings (25 percent of total) and shopping centers (75% of total). This company dislikes dealing with Jews and finds French Canadians lack a knowledge of finance. The third company, which uses English with its capital furnishers, French and English in its dealings with clients and French with its employees, makes loans covering a broad spectrum of construction activity and to borrowers from all ethnic groups. A complete tabulation of this company's loans outstanding is shown in Table III-25 and a similar classification of loans that were being negotiated in September 1965 is contained in Table III-26. This is the oldest and largest of the three mortgage companies and is fully bilingual, both in word and in deed. The predominance of its loans to French Canadian and Jewish clients is worthy of note. The paucity of loans to and applications from other ethnic groups and the average loans to and applications from all ethnic groups also merit attention.

TABLE III-25

Ethnic and Functional Distribution of Loans Placed by a Montreal
Mortgage Company at September 1965

Borrower						
Type of Construction	A.S.	F.C.	J	I	Other	
<u>Residential</u>						
Single family	\$122,598 (8)	\$496,702 (29) 119,780 (5)	\$601,464 (23) 250,956 (12)	\$65,686 (3) -	\$110,976 (5) 16,800 (1)	
Duplex	-	-	-	-	-	
Triplex	-	-	-	-	-	
<u>Commercial</u>						
Apartment Buildings	100,000 (1)	739,588 (6)	1,932,400 (8) 650,000 (2)	-	290,000 (2) 210,000 (1)	
Stores	-	2,900,000 (2)	1,650,000 (1)	-	-	
Office Buildings	-	-	-	-	-	
<u>Industrial</u>						
Light Manufacturing	-	-	1,300,000 (1)	-	130,000 (1)	
Totals:	<u><u>\$222,598</u></u>	<u><u>\$4,256,070</u></u>	<u><u>\$6,384,820</u></u>	<u><u>\$65,686</u></u>	<u><u>\$757,776</u></u>	
% of Distribution	2%	36%	55%	0.5%	6.5%	
Number of Loans	9	42	47	3	10	
Average Loan	\$24,732	\$101,330	\$135,850	\$21,895	\$75,778	

Note: Figures in () indicate number of loans in each category by ethnic group.

TABLE III-26

Ethnic and Functional Distribution of Loans in Process
of Negotiation by a Montreal Mortgage Company₂
September 1965

Type of Construction	Borrower				
	A.S.	F.C.	J	I	Other
<u>Residential</u>					
Single Family	-	\$40,400 (2)	\$35,000 (1)	\$43,500 (3)	-
Duplex	-	-	-	-	-
Triplex	-	48,000 (2)	-	-	-
<u>Commercial</u>					
Apartment Buildings	-	-	-	-	\$120,000 (1)
Stores	-	35,000 (1)	-	-	-
Office Buildings	-	600,000 (1)	2,075,000 (2)	-	-
<u>Industrial</u>					
Light Manufacturing	-	70,000 (1)	100,000 (1)	-	-
Total:	-	\$793,400	\$2,210,000	\$43,500	\$120,000
<u>% Distribution</u>					
Number of Applications	Nil	7	4	3	1
Average Application	Nil	\$113,340	\$552,500	\$14,500	\$120,000

Note: Figures in () indicate number of applications in each category by ethnic group.

6. Bonding Companies:

Bonding companies perform two important services for the construction industry:

- (i) They provide a performance bond which is usually 50 percent or 100 percent of the face value of the contract and which guarantees to the person who awards the contract the faithful performance of the contract.
- (ii) They provide a bid bond, which is a document guaranteeing to the owner that if the bidder's bid is accepted, the bidder will enter into a formal contract. If the bidder fails to enter into the contract, the bonding company has to pay an indemnity to the owner.

Fifteen companies are presently active in this field in Montreal. Of these fifteen, twelve companies are of Anglo-Saxon origin and three are of French Canadian origin. Three of the fifteen companies were selected for interview: one Anglo-Saxon company with its Head Office in Montreal, one French Canadian company, and the Canadian subsidiary of an American insurance company. These three companies are representative of the major ethnic groups in the bonding business.

The ethnic make-up of the Boards of Directors, executive officers and personnel in the Bonding Departments of the three companies are summarized in Table III-27. From this Table, it is apparent that the ethnic distribution of personnel in each company has its own distinctive features. The Anglo-Saxon Canadian company is heavily Anglo-Saxon throughout its executive and clerical ranks and has only a limited work-force drawn from French Canadian and other ethnic groups. This company is 70 percent bilingual in its Bonding Division and is trying to hire bilingual personnel. It finds, however, that because of the demand, bilingual personnel trained in the business are in short supply.

TABLE III-27

Ethnic Distribution of Selected Personnel in Three Bonding Companies in Montreal

		Ethnic Character of Company	
<u>Function</u>	<u>Ethnic</u>		
	<u>Anglo-Saxon Canadian</u>	French Canadian	Canadian Subsidiary of U.S. Company
Directors	9 Anglo-Saxon 1 French Canadian	19 French Canadian 2 Anglo-Saxon	Americans and one Anglo-Saxon Canadian
President Executive Officers	Anglo-Saxon 6 Anglo-Saxon 2 French Canadian N/A	French Canadian French Canadian 3 Anglo-Saxon 3 French Canadian	American American Almost all French Canadian in Montreal and Quebec City
Department Managers			
Bonding Department Manager	Anglo-Saxon	Anglo-Saxon	Anglo-Saxon
Assistant Manager Employees	Anglo-Saxon 2 French Canadian 1 European	9 Anglo-Saxon 2 French Canadian	French Canadian 1 Anglo-Saxon 2 French Canadian

The French Canadian company, in contrast, has a fully bilingual staff most of which is French Canadian. This company expects to hire more "non-French Canadians" when it acquires a position in the Anglo-Saxon market. The subsidiary of the U.S. company is monolithically American in its senior executive ranks. French Canadians abound, however, in the lower ranks. The company has had difficulty in attracting young French Canadians into its employ, but has been directed by its American parent to hire and promote French Canadians in the Province of Quebec.

Although all three companies prepare and process forms in both French and English, the working language of the Bonding Division and the ethnic make-up of the clientele tend to follow the ethnic identity of the Division. The working language of the Anglo-Saxon Canadian company is, for instance, English and its clientele is 65-70% Anglo-Saxon with only a small number of French Canadian, Italian and Jewish clients. The working language of the French Canadian firm is principally French and its clientele is 90 percent French Canadian and 10 percent Anglo-Saxon. It has no Jewish or Italian clients. The pattern in the American company is slightly different and reflects the determined efforts of the parent company to Gallicize its Montreal office. The working language within the company is English and when it first started in business eight years ago 75 percent of its clients were Anglo-Saxon. Today, the ethnic distribution of its clients is: 75 percent French Canadian, 20 percent Anglo-Saxon, five percent Italian. The company has no Jewish clients because it "does not deal with owner builders".

It is surprising that ethnic influences play a part in the bonding business for most of the work is done through brokers so that there is little direct

contact with the client. One would think that broker-bonding company relationships would develop through time and be the determining factors in directing business to the bonding companies. But one instance demonstrates how normal business relationships may be changed, particularly when the industry in question acquires added commercial and political significance.

Before the Lesage government came into office, there were no requirements for bonds on Provincial construction projects. Under the old system, there was no tender and, therefore, no need for bond security. Now, however, all Provincial contracts are open to public bid and all bidders must post a bid-bond.

In a recent instance, a Provincial contract from the Department of Education required the company issuing the bond to be provincially incorporated. This posed a problem because all the major bonding companies have Federal charters and the majority of companies with Provincial charters are small and have to be reinsured, normally through U.S. owned insurance companies. A number of the larger companies were highly concerned and took their case, through the All Canadian Insurance Federation, to the Provincial Government. The case was presented as a possible conflict between two departments: the Finance Department, which issues the business license to operate in Quebec, and the Department of Education which, in this case, barred these companies from possible business.

The outcome of the case is not known. But the case itself reveals that the bonding business may be in the process of acquiring a Provincialism it has not heretofore possessed.

CHAPTER IV

RELATIONSHIPS BETWEEN WORK ORGANIZATIONS AND THE MARKETS IN WHICH THEY OPERATE

There are a number of ways in which a basis of classification of the ethnic relationships existing between the various work organizations within the overall sphere of the Montreal construction industry may be established.

A classification based on fundamental market relationships is felt to be the most useful and informative in describing and determining the relationship between each type of work organization and the markets in which it operates. These markets are analysed both from the buyer and seller viewpoint.

The overall market with which the construction industry is concerned may conveniently be sub-divided into four market areas:

The Product Market:

In this market the Real Estate Developers, Speculative Builders, General Contractors, and sub-contractors appear as sellers of their construction work or services. The buyers in the Real Estate Developers and Speculative Builders market are essentially the public. The buyers of the sub-contractors' work or services are the General Contractors. The buyers in the General Contractors market are all those who award work to general contractors; principally, these comprise: governments, institutions, industrial and commercial corporations, and real estate developers. In addition, architects and engineers often play a significant part in the selection of a general contractor, and they may therefore be looked upon as buyers in this market; the same is applicable, in a lesser degree, to the sub-contractor market.

The Market for Professional Services:

In this market, the sellers are those who offer professional services to the construction industry - the architects, the engineers, and the inspection services.

The buyers are the users of these services; the buyers of architect services are governments at all levels, institutions, industry, and commercial corporations and real estate developers. Speculative builders infrequently use architects services. The position of the engineers is somewhat similar to that of the architects in that their services may be bought by the same principals who buy architects' services. In addition, the services of engineers are often bought by the architects themselves, so that in such a context one professional group appears as the buyer of the services of another group.

The services of inspection organizations are retained by a much more restricted clientele. Most commonly, they are retained by consulting engineers. They are also retained by governments or by other owners, who may wish to keep direct control over the performance of this type of service in connection with construction work being undertaken on their behalf.

The Labour Market:

In this market, the sellers are the working population at large, with all its ethnic elements: French Canadian, Anglo-Saxon, Jewish, Italian and Other.

The buyers are all the work organizations which are employers of labour, and which form part of the construction activity of Montreal.

The Money and Capital Markets:

In this market, the sellers may be considered as forming three sub-groups: the first sub-group consists of the banks; their clientele includes all those who physically perform construction work: general contractors, real estate developers, speculative builders, and sub-contractors. The second sub-group contains those organizations which deal in mortgage funds: insurance companies, trust companies, finance companies, mortgage companies; their clientele are essentially speculative builders and real estate developers. The third sub-group is the bonding companies, whose clientele consist of the general contractors and sub-contractors.

These, then, are the principal structural elements of the seller-buyer relationship which obtains in the construction industry market, in Montreal. In the following sections, each one of these market groups is examined in detail in relation to the ethnic relationships which come into play within it.

A. THE PRODUCT MARKET

1. General Contractors:

The work available to general contractors can be broadly classified into two categories - the public and the private - which differ widely, not only in the physical nature of the work involved, but in the policies and the attitudes which determine the relationship between owner and contractor.

In contrast with practices existing less than a decade ago, all construction work now awarded by the Province of Quebec or its agencies is

on the basis of publicly advertised competitive bidding, with the contract awarded to the lowest qualified bidder; the same essentially applies to municipal and to federal work. On the face of it, there is, therefore, no ethnic aspect to the market for construction services in the public sector.

Several provincial government departments, upon interview, confirmed the policy of competitive non-discriminatory contract award; it was noted that Anglo-Saxon and Jewish contractors now bid for work on Catholic schools, and that the Protestant School Board of Greater Montreal now publishes tender calls in French in the French press, and has awarded contracts to Anglo-Saxon, French Canadian, Jewish and Italian contractors.

Beneath the surface of this apparently ideal situation, there are subtler factors at issue which affect the relationship between contractor and public owner. One such factor is preference by the contractor. Some contractors simply prefer to stay out of certain classes of work. This is particularly in evidence in the case of Anglo-Saxon and Jewish contractors in relation to provincial and municipal work.

One Anglo-Saxon contractor commented that he was no longer quoting on any such work, and one Jewish contractor commented that, although he was low bidder on a job in Quebec City, an attempt was made to prevent him from getting the contract, and he felt his presence was not wanted. In respect of provincial and municipal work, reluctance of Anglo-Saxon and Jewish contractors to participate also stems from the fact that they have been able to develop other sources of contracts -

particularly industrial work in the case of Anglo-Saxons and commercial work in the case of Jews - and they apparently prefer to concentrate on such sources. From the owner's side, there is little indication of preference; but most provincial departments issue contract documents in French only, and this may act as a deterrent to non-French contractors. The City of Montreal, on the other hand, publishes its contract documents on a strictly bilingual basis, and such ethnic preferences as were indicated by city representatives were purely on a basis of technical specialisation by the contractors.

Several French Canadian contractors, on the other hand, resent the treatment they get from Federal civil servants. Complaints were voiced of difficulties of personal communication with Anglo-Saxon civil servants who were said to resent their presence; complaints were also voiced at Federal contract documents being in English only.

On the whole, French Canadian contractors are more dependent than others on public ownership work, as shown by the following Table which indicates the principal source of contracts for twenty-four general contractors interviewed.

TABLE IV-1

Principal Work Sources for 24 General Contractors

<u>Work Source</u>	<u>French Canadian</u>	<u>Anglo- Saxon</u>	<u>Jewish</u>	<u>Italian</u>	<u>Mixed</u>	<u>Total</u>
Public Bids	7	2	-	1	-	10
Private Bids	-	-	1	-	-	1
Negotiations	5	1	-	-	-	6
Public & Private Bids	1	2	-	-	1	4
Private Bids & Negotiations	-	1	1	1	-	3
	<u>13</u>	<u>6</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>24</u>

It will be noted that while seven out of thirteen French Canadian contractors obtain their work principally from public bids, the same is the case for only two of six Anglo-Saxon contractors, and for none of the Jewish or mixed contractors. There does not appear to be a meaningful pattern related to size of the contractor organizations involved.

In the private sector of the market for general contractor services, conditions are more diversified, and specialization patterns have developed, some of which are on an ethnic basis. For example, an analysis of the negotiated work obtained by contractors as shown in Table IV-1 indicates that the French Canadian firms which obtain a substantial volume of negotiated contracts do mostly institutional construction, while the Anglo-Saxon contractors who depend largely on negotiated work have specialized in industrial construction. Jewish contractors have specialized in certain aspects of commercial construction, and build most of the shopping centres.

Some fields of specialization cut across ethnic lines; for example, one French Canadian contractor reported that 80% of his work was obtained from Anglo-Saxon insurance companies, in the field of repairs to property damaged by fire. According to the contractors interviewed, ethnic affiliations do not play a part in any special business relationships with a work source. Such special relationships, when acknowledged, were almost invariably ascribed to satisfactory past work.

In the private sector of the construction market, preferences, as well as antipathies, easily come to the fore.

The majority of French Canadian firms prefer to obtain their work from French Canadian owners; one French Canadian contractor, however, expresses a preference for obtaining work from Anglo-Saxon sources, this preference being based on Anglo-Saxons having the necessary capital to undertake first class work. At the same time, five of the six contractors who say they are not following their preferences for source of work are large or medium sized French Canadian firms. All five express a desire for access to more Anglo-Saxon work; of these, three complain that Anglo-Saxons keep their work among themselves, and one says that he is left out because of language differences. Although none of the French Canadian contractors express a desire to participate in work originating from Italian or Jewish sources, two contractors remarked that Jews, as well as Anglo-Saxons, keep their work among their own, and one contractor extended the comment to Italians also. It is to be noted that one of the contractors who is most vocal about his desire to obtain work from Anglo-Saxon sources expresses a preference for French Canadian work sources.

French Canadian contractors are the only ones who expect any change in their work pattern in the foreseeable future. The four who anticipate a change all expect to have more Anglo-Saxon business in the future. One medium sized firm whose clientele is now 100% French Canadian stated that it was recently invited to bid for the first time by an Anglo-Saxon firm.

Anglo-Saxon contractors have much less comment to offer on the subject of work sources and preferences than do the French Canadians. Only one expresses a preference for working with Anglo-Saxons. This con-

tractor, a large one, no longer quotes on provincial or municipal work or to Jewish clients. All Anglo-Saxon contractors interviewed are apparently following their preferences as far as work sources are concerned, and none anticipates a change in the foreseeable future.

Jewish and "Mixed" contractors express no preference as to work source. One Jewish contractor, however, who obtains quite a lot of Anglo-Saxon work, remarked that he is not following his preferences as to work source because he is never asked to bid by French Canadian clients.

Italian contractors apparently are following their preferences. One such contractor expresses a preference for Anglo-Saxon clients and a dislike for Jewish clients, although his biggest and preferred client is a large and well known Jewish firm, which he chooses to classify as "Anglo-Saxon" from the point of view of its work attitudes and practices. This same contractor feels that Italians must prove themselves to be "better" before they can obtain any contracts.

The attitude of contractors towards their work source is characterised as much, or perhaps more, by their antipathies as by their preferences. None of the French Canadian contractors expresses a dislike for Anglo-Saxon clients, and none of the Anglo-Saxon contractors expresses a dislike for French Canadian clients; however, three French Canadians and one Anglo-Saxon express a dislike for Jewish clients, and two French Canadians express a dislike for Italian clients; the basis of the attitude in these cases is generally "unsatisfactory experience". One Italian contractor, as already stated, does not like to work for Jewish clients, and this same contractor dislikes French Canadian clients, giving his preference to Anglo-Saxons.

In the case of non-governmental work, the selection of a general contractor can frequently be influenced by the architect and/or the engineer acting for the owner. Indeed, all architects interviewed report that they have a say in the selection of the contractor and that the attitude of the architects toward contractor selection differs according to the ethnic identity of the architect. Thus, French Canadian architects are in favour of dealing with French Canadian contractors to the fullest extent possible. Anglo-Saxon architects, although indicating certain preferences in their selection of an engineer, indicate no contractor preference on an ethnic basis. Jewish architects show a preference for Anglo-Saxon and Jewish contractors, and the lone Italian architect recommends French Canadian, Anglo-Saxon, or Italian contractors.

The role of the engineer in the selection of general contractors is less important than that of the architect. Nevertheless, the attitude of the engineers essentially confirms that of the architects: two of the French Canadian engineers state a preference for French Canadian contractors. All other engineers, of all ethnic groups, prefer a contractor selection not related to ethnic identity.

The extent to which the attitudes of the various organizations and individuals concerned are translated into actual practice can be verified by examination of a number of current or recent construction projects in greater Montreal.

In the public ownership sector, six projects were examined - one federal, three provincial, and two municipal (subway). In all six cases, the

general contractors were French Canadian, as were the architects and/or engineers. The contracts were obtained by low public bid in all cases. It is noted, however, that while on the Montreal subway the city does not discriminate between contractors on an ethnic basis, all the engineers and architects employed have been French Canadian, "as a matter of policy".

In the quasi-public field of institutional construction, covering in particular hospitals, universities, and religious institutions, the basically non-discriminatory attitude of the true public bodies rapidly disappears. All work for French Canadian institutions has been awarded to French Canadian general contractors. In the two cases where details of invited bidders were available, the information is revealing; in one case, fifteen general contractors were invited to bid, and all fifteen were French Canadian. In the other, eleven French Canadian contractors and one of mixed ethnic composition were invited to bid, and finally the contract was denied to the "Mixed" firm because of its partly Jewish ownership.

Comparable histories are available for two Anglo-Saxon institutional projects. In both cases, the general contractor was Anglo-Saxon. In one case, fifteen general contractor firms were invited to bid, and of these ten were Anglo-Saxon, two French Canadian, one Jewish and two Italian. In the other, particulars of the bidders are not available, but the work was awarded to the lowest bidder, who was Anglo-Saxon.

Construction of Jewish institutional projects is generally not awarded to Jewish contractors, particularly in the case of major projects. In

one such recent project eight firms recommended by the architect were invited to bid, five Anglo-Saxon, two Jewish and one Italian, with the contract going to an Anglo-Saxon firm. On another smaller project, one firm of mixed ownership (Anglo-Saxon - French Canadian - Jewish) and two French Canadian firms were the bidders, with the award going to the mixed ownership firm.

In the wholly private ownership sector of general contractor's work, principally industrial and commercial work, the evidence is that there is a close ethnic identification between owner and contractor. Thus, in three industrial construction projects surveyed, one French Canadian, one Anglo-Saxon, and one Jewish, the three general contractors were of the same ethnic identity as the owners. The Anglo-Saxon owner asked for five bids, all from Anglo-Saxon contractors. In commercial projects, the identification is less clear-cut because of frequently complex patterns of ownership and because the work is sometimes awarded to several general contractors on one project.

In general, in the private ownership sector, work for French Canadian owners goes to French Canadian contractors exclusively, work for Anglo-Saxon owners mainly to Anglo-Saxon contractors, but with participation by French Canadians, and work for Jewish owners is divided between Anglo-Saxon and Jewish contractors. Italian sponsored projects are few; in the major ones, the general contractor work goes to Anglo-Saxon contractors.

Language does not appear to be an important factor in the work pattern of a general contractor. The working language of French Canadian and

Italian firms is French and that of Anglo-Saxon and Jewish firms is English. The majority of French Canadian firms state that they have no problem of language communication because their key personnel are bilingual. Only two French Canadian companies report occasional difficulties in business negotiations with non-French Canadians. Language as such does not influence the award of construction contracts.

2. Sub-Contractors:

The market for the work of sub-contractors is controlled by factors quite different from those which control the market for general contractors. The owner, unless he does his own construction without employing a general contractor, generally has little or no say in the selection of and award of work to sub-contractors. This is controlled principally by the general contractor, who is responsible to the owner for the work of the sub-contractors, and can be influenced to a greater or lesser extent by the architect and/or engineer on the project.

As far as the sub-contractor is concerned, the work source is the general contractor or owner builder; an ethnic correlation between sub-contractor and general contractor work source is, therefore, of interest. The relationship is shown in Table IV-2 for 93 sub-contractors.

It may be seen from this Table that, if the "Mixed" and "Other Classifications" work sources are disregarded, forty-seven sub-contractors out of seventy-four, or almost 64%, work principally for general contractors of their own ethnic group.

TABLE IV-2

Ethnic Relationship Between Sub-Contractor and
General Contractor for 93 Sub-Contractors

Sub-Contractor

General Contractor Work Source	Anglo- Saxon	French Canadian	Jewish	Italian	Mixed	Other	Total
Mostly Anglo-Saxon	9	9	4	2	0	0	24
Mostly French Canadian	0	30	0	3	0	0	33
Mostly Jewish	0	4	5	2	2	1	14
Mostly Italian	0	0	0	3	0	0	3
Mostly Mixed	0	4	0	1	1	0	6
Other Classifications	<u>5</u>	<u>6</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>
	<u>14</u>	<u>53</u>	<u>11</u>	<u>11</u>	<u>3</u>	<u>1</u>	<u>93</u>

Table IV-2 clearly shows the strong preference of general contractors of all four major ethnic groups for sub-contractors of their own group. Thus, with the exception of a few large and specialized firms, Anglo-Saxon sub-contractors work only for Anglo-Saxon general contractors. French Canadian sub-contractors work mostly, but by no means exclusively, for French Canadian general contractors. Jewish sub-contractors work for Anglo-Saxon and Jewish general contractors, but never for French Canadians. Italian sub-contractors are employed by all groups but Italian general contractors tend to employ only Italian sub-contractors.

Certain special factors, other than trade specialization, seem to be applicable to some of the sub-contractors who obtain most of their work from general contractors of an ethnic group other than their own. For example, the four Jewish firms who obtain their work mostly from Anglo-Saxon sources are all large companies, and two of them have been in business over forty years. By contrast, the four French Canadian firms who obtain most of their work from Jewish sources are all very small, under \$500,000 annual volume of business, and three of

them are less than ten years old. In none of these cases does the situation appear to be related to the trade specialization of the sub-contractor.

Of the five Anglo-Saxon sub-contractors whose work source appears in the "Other Classifications" column, three are elevator companies, a highly specialized field which effectively cuts across all ethnic lines.

The practices of general contractors of different ethnic groups in the employment of sub-contractors are also revealed by a review of a number of current and recent projects in greater Montreal. On five out of six projects where the general contractor was Anglo-Saxon, there were fifty-one sub-contractors employed, with the following ethnic distribution:

Anglo-Saxon	13
French Canadian	16
Jewish	10
Italian	9
Other	<u>3</u>
	<u>51</u>

In four of the five cases, sub-contractors of all four ethnic groups were working on the project; in one case, there were no French Canadian sub-contractors. On the sixth project, having an Anglo-Saxon general contractor, no exact tabulation of sub-contractors could be obtained; it was noted, however, that the sub-contractors were mostly French Canadian.

On projects where the general contractor is French Canadian, the pattern is different. On nine such projects employing ninety-nine sub-contractors, the ethnic distribution was as follows:

French Canadian	74
Anglo-Saxon	5
Jewish	3
Italian	14
Other	<u>3</u>
	<u>99</u>

A sub-contractor distribution was available for only one project having a Jewish general contractor. The distribution was as follows:

Anglo-Saxon	1
French Canadian	2
Jewish	4
Italian	4
Other	<u>2</u>
	<u>13</u>

The above tabulations confirm the information obtained from the sub-contractors themselves as shown on Table IV-2. Italian sub-contractors are found in small numbers on virtually all projects; this relates to a large extent to craft specialization, which makes the employment of Italian sub-contractors virtually inevitable in certain trades.

Employment of French Canadian sub-contractors is substantial from all general contractors. Even Anglo-Saxon general contractors employ them to a greater extent than they employ Anglo-Saxon sub-contractors. This situation is not abnormal when related to the total number of sub-contractors in business in greater Montreal, of whom 277 are Anglo-Saxon and 2355 are French Canadian. Nevertheless, the proportion of French Canadian sub-contractors employed by French Canadian general contractors, as shown in the tabulations above, is 75%, while the proportion employed by Anglo-Saxon general contractors is 31%.

Employment of Anglo-Saxon sub-contractors is never large, because of their limited place in the industry. Such employment as does exist

is found mostly with Anglo-Saxon general contractors, where they represent approximately 25% of the sub-contractors employed. On projects where the general contractor is French Canadian, they represent only 5% of the sub-contractors.

Employment of Jewish sub-contractors appears to be readily accepted by Anglo-Saxon general contractors, with about 20% of the sub-contracts going to Jewish firms. The same is not the case with French Canadian general contractors; out of 99 sub-contractors on nine projects, only three were Jewish, one of these being American-Jewish.

The pattern established above is essentially similar in those projects, such as apartment houses and speculative builders' housing developments, where there is no general contractor. The ownership or employer distribution, however, is different and more information is available from this type of project on employment of sub-contractors by Jews and Italians, as indicated in Table IV-3 below.

TABLE IV-3

Employment of Sub-Contractors by Owner-Builders
or Speculative Builders

Builder	No. of Projects	Sub-Contractors Employed					
		Anglo-Saxon	French Canadian	Jewish	Italian	Other	Total
French Canadian	4	4	37	0	3	2	46
Jewish	7	4	36	20	17	4	81
Italian	2	0	12	0	9	0	21
Anglo-Saxon	1	5	5	3	2	2	17
	14	13	90	23	31	8	165
	==	==	==	==	==	==	==

Employment of French Canadian sub-contractors by French Canadian owner-builders or speculative builders is in about the same proportion as their

employment by general contractors. It is noticeable that in this sector of construction, where Jewish promotional activity is in the lead, not a single Jewish sub-contractor was found employed on a project where the promoter or owner was French Canadian. On Jewish projects, employment of French Canadian sub-contractors is high, as is that of Jewish and Italian sub-contractors. The very small number of Anglo-Saxon sub-contractors can probably be ascribed to their lack of interest in the type of construction sub-contractor work represented by residential projects. On Italian projects, the only sub-contractors are either French Canadian or Italian. Anglo-Saxons seldom undertake projects of this nature, where the owner acts as his own general contractor. Statistical information is, thus, available on only one project, and this shows that sub-contractors of all ethnic groups are employed.

The attitudes of individual sub-contractors towards employers or clients of the various ethnic groups are in line with the statistical record of the relationships. The following Table shows the work preferences and dislikes of 89 sub-contractors encompassing all significant sub-trades in the Montreal area.

TABLE IV-4

Work Source Preferences and Dislikes of
Eighty-Nine Sub-Contractors

Work Source	Sub-Contractors									
	French		Anglo-Saxon		Jewish		Italian			
	Canadian	Like	Dislike	Like	Dislike	Like	Dislike	Like	Dislike	
French Canadian	9	0		1 ↗	(1) ↗	0	0	2	1	
Anglo-Saxon	3	0		4	0	(1) ↗	1	0	0	
Jewish	0	14		0	1 ↗	2 ↗	0	0	3	
Italian	0	3		(1) ↗	0	0	0	0	2	
No answer	41	36		9	13	9	10	9	5	
	<u>53</u>	<u>53</u>		<u>14</u>	<u>14</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	

Note: Figures in brackets () indicate that a given sub-contractor expressed a like or dislike for more than one group. The related group is shown by the dotted line.

The Table shows among other things, that with the exception of the Italians, each ethnic group prefers its own kind. No Italian sub-contractor expressed a liking for Italian work sources, and indeed two of them expressed a dislike for such work sources. Not a single comparable case was found in any other ethnic group. Dislike for Jewish and, to a lesser extent, Italian work sources is evident on the part of French Canadian sub-contractors. This reluctance is in all cases ascribed to economic fears, but there is less reluctance to work for Jewish contractors than for Jewish house builders. No French Canadian sub-contractors expressed a dislike for Anglo-Saxon work. One French Canadian sub-contractor actually expressed a preference in favour of working for Anglo-Saxon rather than French Canadian clients, claiming the latter drove too hard a bargain on price. Another French Canadian sub-contractor indicated that he was seeking to increase his contacts among Anglo-Saxons and Jews, saying that he wanted to break out of "the parochial limitations of life within the French Canadian business community". Little significant anticipated pattern of change is indicated by the other French Canadian sub-contractors. To the extent that any pattern at all is apparent, it indicates a trend towards getting an increasing percentage of their business from French Canadian sources. All 53 French Canadian sub-contractors indicated that they were essentially following their work preferences.

Anglo-Saxon sub-contractors are generally less satisfied with their lot than are their French Canadian confreres, two out of fourteen reporting that they are not able to follow their work preferences.

These two sub-contractors claim to be unable to obtain any French Canadian work because of their inability to work in or communicate in French and feel that they are paying the penalty.

Two divergent views by large Anglo-Saxon sub-contractors, both plumbers, illustrate the different reactions of old established Anglo-Saxons to the economic and social changes in Quebec. One, in business for 51 years, expresses a liking for doing business with French Canadian and Italian general contractors. He feels that they are closer to the problems of the work than are the Anglo-Saxon general contractors, who have largely elevated themselves to the role of administrators and have lost touch with the problems of the sub-contractors. This plumber expresses no fears for his future. Another Anglo-Saxon plumber of comparable size is convinced that it is only a matter of time until Anglo-Saxon sub-contractors are a thing of the past. He could get some work from French Canadian sources, but lets it go.

Among the Jewish sub-contractors, two out of eleven indicate that they are unable to follow their work preference. In both cases, they have difficulty in obtaining work from French Canadian sources. However, one of them advertises in French as well as in English and has some success in obtaining work from French Canadian sources in Ottawa.

Jewish sub-contractors like to get their work from Jewish or Anglo-Saxon clients, and the record shows that they do, in fact, hardly ever obtain any work from French Canadians. One substantial Jewish sub-contractor, however, indicates a strong reluctance for doing business with Anglo-Saxons, with whom he has difficulty in communicating, although his own language is English. This sub-contractor supports the French Canadian "quiet revolution".

In contrast with the attitude of this Jewish sub-contractor, which is apparently based on emotional factors, the attitude of Italian sub-contractors seems to be determined purely by economic factors, their likes and dislikes being the result of specific experiences rather than a predetermined social attitude. Thus, one Italian sub-contractor claims that he has had three bad experiences with Italian clients, finding difficulty in securing payment and undergoing much criticism; he now does not deal with Italian clients. The only Italian sub-contractor who indicated that he is not following his work preferences bases his comment on the fact that half his clientele is Italian; he would like to "drop this clientele, but cannot afford to do so".

Other Italian sub-contractors react to Anglo-Saxon, French Canadian and Jewish clients in accordance with their own experience. It should be noted, however, that certain old established Italian firms become more French Canadian and less Italian in character as they age and that their business attitude follows the change in overall character.

The extent to which language communication raises significant problems is difficult to assess. Of the fifty-three French Canadian sub-contractors, ten report problems in language communication. It is to be noted that seven of these ten are very small firms, doing less than \$500,000 of business annually, and that these sub-contractors generally believe that their volume of work is restricted because they do not speak English.

Among the fourteen Anglo-Saxon sub-contractors, three report difficulties arising out of language; two report inability to pursue French work; the third, an elevator company, reports that there is an increasing

demand by customers for French Canadian tradesmen, who are not available within the company.

3. Real Estate Developers:

Real estate developers, although they play an important part in the construction activity of Montreal, do not have a "product" to sell in the ordinary sense, since they retain, at least for a limited period of time, ownership of the projects that they build. Their market is, therefore, essentially a tenant market, and is usually open to the public at large.

In order to implement their projects, developers sometimes associate with one another, and must deal extensively with financial institutions, with architects and engineers, and with contractors.

The composition of real estate development firms has already been described. Their number is small and most of the significant firms are either Jewish owned or partly Jewish owned. However, the two largest firms currently operating in Montreal are mixed firms. One represents the union of a major Anglo-Saxon trust company and Jewish promotional group. The other has two top principals, one Jewish-American and one Italian, and is also partly owned by a large English construction group which also owns a firm of general contractors in Montreal; the latter firm undertakes all construction work for the development company.

Both these companies stated that their associations developed from purely business motives, representing generally an association of capital and "know-how", and that there is no ethnic significance to be attached to them.

The operations of these two companies are of such a magnitude that they have access to any significant phase of real estate development. For instance, the first mentioned company, the union of Anglo-Saxon capital and Jewish promotional expertise, is currently erecting a skyscraper-type building in Montreal which will serve as headquarters for a French Canadian bank.

Other Jewish real estate developers also occasionally form joint ventures to undertake a project. Thus, one Jewish developer has done projects in co-operation with others, mostly Jews, but on occasion Anglo-Saxons or Italians, but not French Canadians. In reference to the planning of a project, one Jewish developer commented that his business and social contacts are in the Jewish community, and that is, therefore, where he finds his associates. Another Jewish developer likes to work with Anglo-Saxons, because he likes the way they conduct business, and always uses Anglo-Saxon architects in his projects.

French Canadian developers do not associate with anybody in their projects and do not use the services of general contractors, preferring to do their own construction work. This is to be contrasted with the practice among non-French Canadian developers, where large projects are usually undertaken by contractors, while the smaller ones may or may not be done by the developer himself, depending on the policy and on the construction skill of the developer.

Since the customer for the real estate developer's product is essentially the public, the advertising done by the developers is informative. The percentage distribution of English and French language advertising for the projects of six real estate developers is as follows:

<u>Developer Firm</u>	<u>% English</u>	<u>% French</u>
Jewish (i)	90	10
Jewish (ii)	85	15
Italian	100	0
French Canadian (i)	50	50
French Canadian (ii)	90	10 If project in West end
	10	90 If project in Centre of City
Mixed (J.I.A-S)	65	35

The heavy emphasis on English language advertising in a city where two-thirds of the population is French is to be noted.

4. Speculative Builders:

The market for the product of the speculative builders is the general public. A house built for sale by a speculative builder is offered to anyone able to put up the price or to obtain the minimum cash payment and the appropriate mortgage. This does not mean, however, that the ethnic relationship between builder and buyer is completely haphazard; the location, the type of construction, and the policies of the builder all have an influence.

The sales orientation of builders of the various ethnic groups follows a different pattern for each group:

The lone Anglo-Saxon builder, as a matter of personal preference, sells exclusively within the upper echelon Anglo-Saxon milieu. The architecture of his products is in keeping with the tastes of his market.

The products of French Canadian speculative builders are aimed at a broader, but not comprehensive slice of the population. Those who build

middle class homes in the medium to high cost bracket aim for a clientele which is primarily Anglo-Saxon, with a minority of 20% or so of the sales going to French Canadians. In the lower cost houses, from 50% to 75% of sales are made to French Canadian buyers, with the balance going to Anglo-Saxons, Italians, and other ethnic groups. Two small scale builders operating in a working class market have half their sales or more going to Italians. There is no indication that any of the French Canadian builders direct any portion of their sales efforts at a Jewish clientele. Advertising by French Canadian builders is divided between the French and English press, with the French press getting slightly more than half; one French Canadian builder with a heavily Italian market does 60% of his advertising in Italian.

Jewish speculative builders aim their products at all ethnic groups. One exception is a Jewish builder located in an older part of the city whose sales effort is aimed entirely at French Canadians. This builder's organization is virtually 100% French Canadian, even at the management level; the working language is French, and the advertising is entirely in French. Other Jewish builders sales efforts are aimed at a market which varies from 50% Anglo-Saxon, 50% French Canadian to 75% Anglo-Saxon, 25% French Canadian. The Jewish builders do not appear to desire a heavily Jewish clientele; one actually states that he wishes to avoid such a situation, another likes to see a mixed Anglo-French environment created on his project. Advertising by these builders varies from half French, half English to 95% English. The latter case is that of a builder who used to divide his advertising equally between French and English, but found he was getting no response from

the French side. This builder operates in the West end of the Island where the bulk of the population is English speaking.

Italian builders are more or less in a class of their own, as they appear to build primarily for an Italian market. Of the two builders interviewed, one has 95% of his sales going to Italians, the other has 80%. However, the former divides his advertising equally between the French, English and Italian press, and claims that he reaches a part of his Italian clientele through English language advertising.

Language plays an important role in the sales orientation of speculative builders. Among the French Canadian builders, the internal working language is always French; but the language used in outside relations depends on the geographic location and the nature of the clientele. For example, one large French Canadian builder operating in the West end of Montreal Island has his sales stationery printed in English only; another who operates in a largely Anglo-Saxon suburb has all his financial documents prepared in English. This is no problem for him because he is bilingual, but he admits disliking Anglo-Saxons. Another French Canadian builder, whose clientele is French Canadian and Italian, has difficulty in communicating with Anglo-Saxons, and therefore never works in the West end of the Island. This restricts his growth potential. Other builders who work for a French Canadian clientele are satisfied with their unilingual environment.

Jewish builders mostly use both French and English, with French being the field language, and English and French the office language. One builder who only uses English comments that, although this creates

no problems for him, he finds French Canadians are now becoming more reluctant to speak English.

Italian builders do not appear to have any language difficulties, using both French and Italian as required, with some English.

The operation of the one Anglo-Saxon builder is for an all Anglo-Saxon market; nevertheless, French is more frequently spoken at his job sites and this poses no problem.

In order to work, speculative builders must have land, and indeed the acquisition of suitable parcels of land is a very major part of the speculative builder's art.

The root source of building land is farm land, and this is or was virtually all in the hands of French Canadian farmers, with some coming from religious institutions. However, by the time it is offered to a speculative builder, it has often been in the hands of one or more land speculators.

Most speculative builders buy land where they can, and there is, therefore, little difference to be found in the sources of building land for speculative builders of the various ethnic groups. French Canadian, Jewish, and Italian builders buy most of their land from speculators, of whom the majority are Jewish, with a minority of French Canadians, Anglo-Saxons and Italians. Altogether, something in excess of 50% of all building land is bought from or through Jewish speculators; most of the remainder is from French Canadians, either speculators or farmers, with Anglo-Saxons and Italians playing a minor role. No land

is bought from Anglo-Saxon farmers or other non-speculator Anglo-Saxon landowners. All French Canadian builders, except one, buy at least some land from Jews. This situation is in contrast with the reluctance of French Canadian general contractors and sub-contractors to deal with Jews. Whether French Canadian builders deal with Jewish land speculators willingly, or because they have no alternative, could not be established.

B. THE MARKET FOR PROFESSIONAL SERVICES

1. Architects:

The services of architects are utilized for the design, and frequently the supervision, of building projects, and therefore they are directly a part of the construction industry. These services are sold to the owners, be they public bodies, institutions, industries, real estate developers or home builders.

The structure of the profession has already been examined, and the distinction has been drawn between architects who practise alone and those who practise in partnership with other architects. The reasons which have led architects to associate with each other are of interest. Out of nine partnerships surveyed, three (one French Canadian, one Anglo-Saxon, and one Jewish) indicate that ethnic reasons were prime factors in determining the make-up of the partnership. In these cases, the partners are all of the same ethnic group. One mixed partnership, French Canadian and Anglo-Saxon, is considered by the partners to be in a good business position because it has partners from both groups. In other cases, professional skills appear to be the governing factors.

The clientele of architects of different ethnic groups varies both in its own ethnic composition, and in the type of work which it represents. However, the ethnic identity between client and architect is generally preserved.

Of five Anglo-Saxon architectural firms, two are 100% dependent on an Anglo-Saxon clientele; two others get between 85% and 90% of their work from Anglo-Saxons, with most of the balance coming from Jews. One Anglo-Saxon architect, practising alone and rather successfully, gets 50% of his work from Jewish sources, 25% from French Canadian, and 25% from Italian. This architect, although Anglo-Saxon, is not Canadian born or educated, employs a staff of highly diversified origins, and seems more at home in the international developer's world than do the majority of his Anglo-Canadian colleagues. The relationship between Anglo-Saxon architect and client is summarized in Table IV-5 hereunder, which also shows governmental clientele separately under a non-ethnic classification.

TABLE IV-5

Ethnic Distribution of Clientele of 5 Anglo-Saxon Architects

It can be seen that an average of 75% of the work obtained by Anglo-Saxon architects is from Anglo-Saxon clients and 13% from Jewish clients, with only 5% coming from French Canadian clients. The total amount of work obtained by Anglo-Saxon architects from governmental sources is extremely low.

The comparable distribution of clientele for three French Canadian architects is shown in Table IV-6.

TABLE IV-6

Distribution of Clientele for
3 French Canadian Architects

<u>Client</u>	(1)	(2)	(3)	<u>Average</u>
Anglo-Saxon	-	-	6%	2%
French Canadian	62½%	70%	58%	63%
Jewish	37½%	-	-	13%
Italian	-	-	6%	2%
Federal Government	-	20%	-	7%
Prov. & Mun. Gov't.	-	10%	30%	13%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

In spite of the smallness of the sample, a comparison between the above table and the preceding table, which refers to Anglo-Saxon architects, is informative. It is readily seen that French Canadian architects in Montreal get far more of their work from governmental sources than do the Anglo-Saxon architects, 20% of the work load, as compared with 2%. After making allowances for this factor, the average distributions for the two ethnic groups of architects are very comparable, with each ethnic group obtaining very little work from the other, and both obtaining a fair amount from Jewish clients.

Jewish architects do not appear to obtain any work from federal, provincial or municipal governments. Of the three firms surveyed, two of them each obtain 95% of their work from Jewish sources and 5% from Anglo-Saxon. Over 80% of their work is in the field of commercial buildings. The third Jewish firm is a large partnership which obtains most of its work from corporations and appears to have a mixed clientele. This partnership has now expanded and admitted some of its employees of "Other" ethnic origins to partnership.

The one Italian architect obtains most of his work from "Anglo-Saxon" sources. These sources are principally Irish Catholic institutions with which he has established good relations because his wife is Irish Catholic. In this instance, the identity of religion appears to override the non-identity of ethnic origin.

In the ethnically mixed architectural partnerships, the clientele is also mixed, and its composition depends on the orientation of the architectural partnership. For example, one very large and highly successful partnership with partners from all four major ethnic groups obtains its work from Anglo-Saxon, Jewish and Federal Government sources, but none from French Canadian sources. The other two, which are Anglo-Saxon - French Canadian partnerships with a largely French Canadian orientation, obtain about one-third of their work from Provincial and Municipal Governments, with the remaining two-thirds divided about 2:1 between French Canadian and Anglo-Saxon work sources respectively. Jewish clientele is insignificant and federal work represents only about five percent of the total.

In their attitude towards future business prospects, architects of different ethnic affiliations hold different views. In general, French Canadian architects are unworried as to their prospects for the future. One sees a tendency towards French Canadian-Anglo-Saxon partnerships which will be able to obtain work from both ethnic groups. Another French Canadian architect is less hopeful of improved relations between French Canadians and Anglo-Saxons. Some French Canadian architects have expressed themselves very forcefully on this subject, their views ranging from the compassionate to the coldly cynical, as illustrated by the following statements by three of them when interviewed:

"Bilingualism is a dream. French Canadians cannot hope to force nine provinces to accept their language. French Canadians can only take and have nothing to give. It is sad to note that a man must die in order that French Canadian architects might get in on the C.P.R. hotel project."

"Bilingualism is a double barreled weapon. Too bad for those who have only one."

"Every time a bomb explodes, another French Canadian is made Vice-President of a large Anglo-Saxon corporation."

It is hard to say whether architects are more emotionally involved in the confrontation between French Canadians and Anglo-Saxons than are other people in the construction industry, but it was only from French Canadian architects that direct comment of this nature was forthcoming.

Anglo-Saxon architects, like many Anglo-Saxons in other aspects of the industry, essentially fall into two groups: those with a rigidly Anglo-Saxon outlook, and those who are determined to find their place in their modified environment. Thus, one Anglo-Saxon architect feels that the Anglo-Saxons are losing to French Canadians in getting work

in the Province of Quebec. This architect conceded the field of public works to French Canadians long ago, and he now thinks that, under the pressure of nationalist policies of the provincial government, more and more work originating from Anglo-Saxon Canadian, American or British business interests will be given to French Canadian architects. Another Anglo-Saxon architect sees the need for an effort to work more with French Canadian clients and the Provincial Government, and is determined to make an effort in that direction. Another Anglo-Saxon architect gets along well with French Canadians and has no fears for the future.

Jewish architects are essentially pessimistic in their outlook, in that they see no prospect of improvement from their essentially isolated position. They feel discriminated against, and one of them expects to lose ground to French Canadian competitors. However, in the field of real estate development, French Canadian developers do not appear to be antagonistic to Jewish architects. This may be a recognition of the professional specialization of many Jewish architects in this field.

The Italian architect has never had a French Canadian client. He now has his first Italian client and hopes to develop an Italian clientele.

The mixed partnerships appear satisfied with their professional and business status: the one which is more English oriented expects to get more French Canadian work in the future (it gets none now) and those which are more French oriented expect to get more Anglo-Saxon work.

Anglo-Saxon, Jewish and Italian architects express no ethnic preference in the matter of clients. One French Canadian architect prefers French Canadian clients, and another dislikes Jewish clients.

As in other work organizations, Anglo-Saxon and Jewish architects work in the English idiom. So does the Italian architect. One Anglo-Saxon architect, however, uses French for about 20% of his work, and he has French Canadian clients. The other Anglo-Saxon architects all state that their unilingualism affects their work pattern. The Jewish architects say that it does not affect theirs, because they are discriminated against anyway by French Canadians.

For most architects, there appear to be occasional language difficulties when specifications have to be translated, but such difficulties appear to be of a technical rather than a fundamental nature.

2. Consulting Engineers:

The role of the engineer in the Montreal construction industry, although an important one, is generally subsidiary to that of the architect in the case of building construction. In engineering construction, such as roads or subways, the engineer, of course, plays a prime role, and is retained by the owner to work on the project. For building construction, the engineer is usually retained by the architect, under whose overall responsibility he works. Nevertheless, the actual selection of the engineer is sometimes made by the owner, private or public, and the selected engineer may be imposed upon the architect.

The work source distribution for engineers of the various ethnic affiliations differs for each ethnic group. The differences lie both in the physical nature of the work and in the ethnic distribution of the clientele.

French Canadian engineers get about 75% of their business from institutional and government sources, with governmental work representing about twice the value of institutional work. Within the sphere of governmental work, work from local and provincial departments outweighs federal work in the ratio of about two and one-half to one.

Anglo-Saxon engineers do little governmental work, and obtain most of their work from industrial and commercial clients.

Jewish engineers get 80% of their work from industrial and commercial clients, the balance being institutional work. They do no governmental work.

In mixed partnerships, those which are essentially of French expression get the majority of their work from governmental sources, the remainder being from industrial and commercial clients. One firm, which is of essentially neutral or Anglo-Saxon orientation, gets no government work. Seventy-five percent of its work is obtained from institutional sources (through the architects), and the balance is industrial or commercial work.

The following table shows the ethnic distribution of work sources for work performed by engineers over the past three years. For the purpose of this classification, governmental work has been placed in a separate non-ethnic class.

TABLE IV-7

Ethnic Distribution of Work Sources for Engineers

Work Source	Engineer					
	French	Anglo-Saxon		Jewish		Mixed
	Canadian	(1)	(2)	(1)	(2)	(Average of 3 firms)
Anglo-Saxon	13%	87%	55%	30%	20%	43½%
French Canadian	37½%	-	-	10%	10%	11%
Jewish	1½%	-	-	30%	70%	3%
Italian	1%	-	-	30%	-	-
Mixed, Corporate	-	10%	25%	-	-	2½%
Government	47%	3%	20%	-	-	40%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

This table shows the extent to which Anglo-Saxon engineers are dependent on Anglo-Saxon or "neutral" corporate sources for their work, and their lack of French Canadian, Jewish or Italian clients. French Canadian engineers have a broad base of work from government sources, and participate to a minor extent in work from Anglo-Saxon sources. Jewish engineers are heavily dependent on Jewish work sources, but they do obtain some work from French Canadians. The ethnically mixed partnerships get most of their non-government work from Anglo-Saxon sources.

The employment of engineers' services by architects, which accounts for an important proportion of the engineers' work in Montreal, provides a case study of its own.

Of five Anglo-Saxon architectural firms, two do not retain Anglo-Saxon engineers at all; of these, one gives all its work to a firm of mixed ethnic ownership, the other shares its work among French Canadian, Jewish, and "Mixed" firms. Of the other three firms, one gives work to engineers of all ethnic groups, including "Mixed" firms (but excepting

the Italians, who are totally absent from the consulting engineer field); another shares its work between Anglo-Saxon and Jewish engineers, and the third gives 75% of its work to Anglo-Saxon engineers and 25% to French Canadians. None of the architects admit to any ethnic preference in the selection of engineers, but one Anglo-Saxon architect states that he prefers to deal with engineers who speak English. Another claims that he would like to use French Canadian architects, but that they lack experience in commercial building design. Employment of engineers by French Canadian architects follows a much simpler pattern. All French Canadian architects surveyed deal exclusively with French Canadian engineers. Again, no ethnic preference is admitted, but one architect considers French Canadians to be good structural engineers.

The views expressed by the engineers themselves about their work source preferences are generally characterized by a narrowness of outlook, which can be summarized as a liking for whatever work sources are available to the particular engineer and a resentment towards those which are not. The following are some examples:

- A French Canadian engineer obtains millions of dollars of work from Provincial and Municipal sources, but feels he is being discriminated against, for ethnic reasons, by the Federal Government.
- Two French Canadian engineers feel they are excluded from all work sources which are not French Canadian. One claims that Italian work goes to Italian engineers (who are in fact non-existent).

- Jewish engineers feel they have no chance in getting any work from Municipal or Provincial government sources.
- One French Canadian engineer prefers to work for Anglo-Saxons, claiming that they are good businessmen and pay a proper fee.
- One French Canadian engineer resents the personal attitude of Federal Civil Servants, particularly those over fifty years of age.
- One Anglo-Saxon engineer claims he has no preference, but in fact continues to work for Anglo-Saxon clients because it is with them that his contacts and his reputation are established.
- One engineer from a partnership of mixed ethnic composition believes that both Provincial and Federal Governments show a preference for awarding work to French Canadian firms in Montreal.

The relationship between Owner, Architect and Engineer in various classes of recent projects in Montreal is summarized in Table IV-8.

This table confirms some of the statements made by architects and engineers as recorded earlier. It can be seen that out of fourteen projects in which the architect is French Canadian, there are thirteen in which the engineer is also French Canadian; in the fourteenth project, the Jewish owner retained a French Canadian architect, and Jewish and Anglo-Saxon engineers. In the nine non-governmental projects where the owner is identified as French Canadian, there are seven French Canadian architects and eight French Canadian engineers employed.

TABLE IV-8

Relationship Between Owner, Architect and Engineer in
Thirty-Four Current or Recent Projects in Montreal

Type of Project	Ethnic Affiliation of Owner	Architect	Engineer
Municipal Gov't.	-	(i) F.C.	F.C.
Provincial Gov't.	-	(i) F.C.	F.C.
		(ii) -	F.C.
		(iii) -	F.C. + O
Federal Gov't.	-	(i) F.C.	F.C.
Institutions	F.C.	(i) F.C.	F.C.
		(ii) F.C.	F.C.
		(iii) F.C.	F.C.
		(iv) F.C.	F.C.
	A.S.	(i) I	M
		(ii) M	J
	J.	(i) A.S.	M
		(ii) M	N/A
Commercial	F.C.	(i) M	F.C.
		(ii) F.C.	F.C.
	A.S.	(i) F.C.	F.C.
		(i) M	F.C.
	J.	(i) A.S.	J
		(ii) J	J
		(iii) M	A.S.
		(iv) J	O
		(v) J	
	I.	(i) J	A.S. & F.C.
Industrial	F.C.	(i) F.C.	F.C.
	A.S.	(i) A.S.	-
	J.	(i) J.	J.
Apartments	F.C.	(i) A.S.	J. & F.C.
		(ii) F.C.	F.C.
	J.	(i) F.C.	J. & A.S.
		(ii) F.C.	F.C.
		(iii) J.	J.
		(iv) M.	J.
	I.	(i) I.	J.
	M.	(i) M.	J. + M.

French Canadian architects and engineers are also employed on Anglo-Saxon and Jewish projects.

The distribution pattern for the other ethnic groups is quite different.

In no case are both Anglo-Saxon architect and Anglo-Saxon engineer employed on the same project; Anglo-Saxon architects are found associated with Jewish, French Canadian and "Mixed" engineering firms.

In only one of four projects involving Anglo-Saxon architects is the owner also Anglo-Saxon.

The table shows that while Jewish architects are only employed by Jewish clients, Jewish engineers are employed by Anglo-Saxon and French Canadian, as well as Jewish, architects or owners.

The virtually exclusive employment of French Canadian architects and engineers on government projects at all levels of government in the Montreal area is very clearly in evidence, and tends to support the claims of favoured treatment by government authorities of French Canadian professionals in the Montreal area.

3. Technical and Inspection Services:

This field of the industry, as seen earlier, is occupied by nine firms which account for the near-totality of the market for such services.

Five of these firms are French Canadian owned, three are Anglo-Saxon owned, and one is of mixed French Canadian and Anglo-Saxon ownership. The biggest buyers of the services of technical inspection companies are governments, particularly the provincial government.

The remainder of the market is divided between private and institutional

owners and the architects and engineers who supervise construction in their behalf. The provincial government accounts for more than 50% of the work load of one of the Anglo-Saxon firms and three of the French Canadian firms. All the others participate on a lesser scale, although one Anglo-Saxon firm that gets the majority of its work from the Provincial Government is very large, well financed and has a strong board of directors which includes some prominent French Canadians. This appears to be the only instance in the industry, where a major Anglo-Saxon firm gets a high proportion of its business from the Provincial government.

The Federal Government is less important than the Provincial Government as a buyer of inspection services. One of the Anglo-Saxon firms gets 15% of its business from this source, another gets 30%. One French Canadian firm gets 5% of its work from Federal sources; none of the other firms do any Federal work. Three of the French Canadian firms commented that Anglo-Saxon inspection firms get better treatment from the Federal Government than they do, and in this instance the complaint appears to be valid. On the other side of the coin, one of the three Anglo-Saxon firms commented that the Provincial Government is uncooperative and favours French Canadians. This firm gets 30% of its work from the Provincial Government and, therefore, its complaint does not appear to be valid. The overall distribution of work sources between government and private sources of different ethnic identities is shown on Table IV-9.

TABLE IV-9

Work Sources for Nine Technical
Inspection Service Companies

<u>Clients</u>	<u>Companies</u>								<u>Mixed</u>	
	<u>Anglo-Saxon</u>			<u>French Canadian</u>						
	(1)	(2)	(3)	(1)	(2)	(3)	(4)	(5)		
<u>Private Clientele</u>										
Anglo Saxon	30%	50%	5%	-	10%	½%	2%	45%	15%	
French Canadian	5	13.5	5	28	16	17.5	25	35	15	
Jewish	5	26.5	5	1	.2	7	2	-	45	
Italian	-	-	-	-	2	-	1	-	45	
Other	-	-	-	1	-	-	-	-	-	
<u>Government</u>										
Federal	30	-	15	-	-	-	5	-	-	
Provincial	30	2	60	60	60	40	15	-	15	
Municipal	-	8	10	10	10	15	25	10	15	
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	

According to this table, the ethnic relationships between company and client in this field of the construction industry are less narrow than in the case of consulting engineers and of architects. All Anglo-Saxon firms get some French Canadian and Jewish business. All but one of the French Canadian firms get some Anglo-Saxon business, and all but one get some Jewish business. In some instances, however, the amount of Anglo-Saxon or Jewish business is little more than nominal. The majority of the work from Jewish sources appears to go to one Anglo-Saxon and one mixed Anglo-Saxon - French Canadian firm. Italian clientele is insignificant in volume, but its work goes to French Canadian inspection firms.

The expressed views of the management of the inspection firms are in keeping with the available data on work source distribution as shown on Table IV-9 above. Anglo-Saxon firms express no particular preference and, indeed, they are able to obtain work from all sources. Among the French Canadian firms, two prefer to work for French Canadian clients, and one prefers not to work for Jewish clients. Another French Canadian firm prefers to deal with Anglo-Saxon clients and cultivate contacts with Anglo-Saxon business. This firm obtains the majority of its private work from Anglo-Saxon sources. In contrast with this firm's experience and attitude, three other French Canadian firms say that they find it difficult to get their foot in the door with Anglo-Saxon business, which they think goes to Anglo-Saxon firms. The firm of mixed ownership (Anglo-Saxon and French Canadian) has developed strong contacts with Jewish architects, and it is through those contacts that it obtains so much work from Jewish sources. It claims to have no ethnic preferences as to work sources.

Language difficulties appear to be less in evidence in this group than in other sections of the construction industry. With the exception of a large Anglo-Saxon firm whose executives use English at Head Office level, all firms are bilingual, and none of them have any business difficulties arising out of language.

C. VERTICAL RELATIONSHIPS IN THIRTY-THREE
CONSTRUCTION PROJECTS

The evidence presented so far in this chapter covering relationships between owners, contractors and professionals is confirmed by the pattern of ethnic relationships in thirty-three recent or current construction

projects in Montreal. These relationships are summarized in Table IV-10, which is in four parts. Each part represents one of the four major ethnic groups as owners or entrepreneurs of the projects and shows the ethnic identity of the work organizations involved. The tabulation also covers all major categories of building construction except government projects.

This table reveals the extent to which business relationships in the construction industry are influenced by ethnic considerations. With the exception of the Italians, the members of each ethnic group choose to conduct business within their own group whenever practicable. French Canadian sponsors, in particular, buy the products and services of other French Canadians, if not exclusively at least to the maximum extent compatible with reasonable project performance, which generally means that there are some Italian sub-contractors on the project, the odd Anglo-Saxon, and very rarely a Jew. Everybody else, general contractor, architect, engineer, or sub-contractor is, with very few exceptions, French Canadian. This practice of buying products and services from members of their own ethnic group, while also in evidence among the Anglo-Saxon and Jewish owners, is far less pronounced.

D. THE LABOUR MARKET

The ethnic composition of the craft labour force employed in the construction industry in Montreal, and the ethnic composition of the clerical, professional, and managerial personnel of the various work organizations, have already been described in previous sections of this report. The present section discusses the attitudes and trends which are inherent in the work force composition.

TABLE IV-10

Vertical Relationships in Thirty-Three
Construction Projects in Greater Montreal

Twelve French Canadian Projects

Type of Construction	Owner	Builder or General Contractor	Architect	Engineer	Sub-Contractors
Houses	(i) F.C.	(F.C.)	-	-	10 F.C.
	(ii) F.C.	(F.C.)	-	-	10 F.C., 1 I, 1 O
	(iii) F.C.	(F.C.)	-	-	10 F.C., 1 I
Apartments	(i) F.C.	(F.C.)	A.S.	F.C. & J.	2 A.S., 6 F.C., 2 I
	(ii) F.C.	(F.C.)	F.C.	F.C.	2 A.S., 11 F.C., 1 O
Industrial	(i) F.C.	F.C.	F.C.	F.C.	1 A.S., 7 F.C., 1 I
Commercial	(i) F.C.	F.C.	M(A.S.+F.)	F.C.	10 F.C.
	(ii) F.C. & A.S.	F.C.	F.C.	F.C.	10 F.C., 1 A.S., 1 I
Institutional	(i) F.C.	F.C.	F.C.	F.C.	8 F.C., 2 I, 1 J
	(ii) F.C.	F.C.	F.C.	F.C.	8 F.C.
	(iii) F.C.	F.C.	F.C.	F.C.	11 F.C., 3 I
	(iv) F.C.	F.C.	F.C.	F.C.	8 F.C., 2 I

Four Anglo-Saxon Projects

Industrial	(i)	A.S.	A.S.	A.S.	-	4 A.S., 3 F.C., 1 J, 1 I
Commercial	(i)	A.S.	A.S. & F.C.	F.C.	F.C.	4 A.S., 4 F.C., 1 I
Institutional	(i)	A.S.	A.S.	I	M	1 A.S., 5 F.C., 3 J, 1 I, 1 O
	(ii)	A.S.	A.S.	M	J	N/A

Three Italian Projects

Houses	(i)	I	(I)	-	-	7 F.C., 4 I
Apartments	(i)	I	(I)	I	J	5 F.C., 5 I
Commercial	(i)	I	A.S.	J	A.S. & F.C.	Mostly F.C.

continued...

TABLE IV-10 (Continued)

Fourteen Jewish Projects

<u>Type of Construction</u>	<u>Owner</u>	<u>Builder or General Contractor</u>	<u>Architect</u>	<u>Engineer</u>	<u>Sub-Contractors</u>
Houses	(i)	J	(J)	-	6 F.C., 4 J, 1 I, and 1 O
	(ii)	J	(J)	-	1 A.S., 6 F.C., 3 J, 1 I
	(iii)	J	(J)	-	7 F.C., 7 J, 3 I, 3 O
Apartments	(i)	J	(J)	F.C.	J & A.S. 3 F.C., 2 J, 3 I
	(ii)	J	(J)	F.C.	F.C. 1 A.S., 9 F.C., 1 I
	(iii)	J	(J)	J	2 F.C., 5 I, 1 J
	(iv)	J	(J)	M(F.C.+A.S.)	J 2 A.S., 3 F.C., 3 J, 3 I, 2 O
Industrial	(i)	J	(J)	J	J 1 A.S., 2 F.C., 6 J, 3 I
Commercial	(i)	J	J	A.S.	J 1 A.S., 2 F.C., 4 J, 4 I, 2 O
	(ii)	J	J & A.S.	J	J 3 A.S., 2 F.C., 5 J, 2 I
	(iii)	J	M	M	F.C. N/A
	(iv)	J(+A.S.) (ii) +F.C.)	A.S.	J O	1 A.S., 4 F.C., 2 J 2 I
Institutional	(i)	J	A.S.	A.S.	M 3 A.S., 3 F.C., 3 J, 2 I
	(ii)	J	M	M	N/A 1 A.S., 4 F.C., 3 J, 1 I

Note: (i) Entries shown in () refer to instances where the owner of the projects acts as his own contractor.

(ii) In this project, the majority ownership is Jewish, but there are minority interests held by Anglo-Saxons and French Canadians.

At the level of craft labour, it has already been established that an overwhelming majority of the work force is French Canadian (76%) and that a sizeable minority is Italian (12.7%). The Anglo-Saxon work force is only 6% and the Jewish craft labour force is virtually non-existent.

It is, therefore, not surprising to find that employers of craft labour (general contractors, speculative builders, real estate developers, and sub-contractors) either express a preference for French Canadian labour, or express no preference. Availability of French Canadian labour is not the sole factor here; its quality appears to be universally recognized within the industry. However, several French Canadian speculative builders have a preference for Italian or other European labour, claiming that such people work harder than French Canadians, and one French Canadian contractor specializing in heavy construction expresses a similar preference, based on performance.

The odd Italian contractor expresses a preference for Italians, especially in concrete work. But Italian contractors generally express a preference for French Canadian workers, with whom they have reasonable ease of communication; nevertheless, they do in fact employ a large number of Italians. It is observed that Jewish employers employ no Anglo-Saxon craft labour.

The preference of the employer as to ethnic affiliation plays a much more important part in the selection of senior and clerical staff than it does in the selection of field labour. Preference in senior appointments seldom transgresses ethnic lines. Thus, among general contractors, one Italian has a preference for French Canadian personnel in higher positions; one French Canadian prefers Anglo-Saxons; and one "mixed" firm prefers Jews.

Except for these cases, all employers prefer senior personnel of their own ethnic group. A similar outlook prevails among sub-contractors. Among 53 French Canadian sub-contractors, 23 express a preference for French Canadians, the remainder express no preference. One Anglo-Saxon sub-contractor prefers French Canadians in higher positions, while another Anglo-Saxon sub-contractor, whose business at one time was big but which has now declined, not only prefers Anglo-Saxons over French Canadians, but prefers Anglo-Saxon Protestants over Anglo-Saxon Catholics. One Jewish speculative builder, recently arrived in Canada and quite successful, states a preference for French Canadian employees both in higher and in lower positions, but in fact has no French Canadian senior employees.

Among the organizations that physically carry out the work of construction, all employers are essentially able to follow their preferences in employment. The principal exceptions are the elevator companies, which would like to hire more skilled French Canadians in their trade, particularly for some of the higher positions, but are unable to find qualified candidates.

An insight into the future trend of distribution of skilled labour in the Montreal construction industry is provided by the Apprentice Training School of the Montreal construction industry. This school has a student enrolment which is 79% French Canadian, 12% Italian, 6% Anglo-Saxon, and 3% Other ethnic groups. This distribution, when compared with the present labour force distribution in Montreal, as given in Chapter I, indicates that little change is to be expected in the next few years in the make-up of the labour force.

There is a specialization trend within the ethnic groups attending the school. French Canadians go to all trades; Anglo-Saxons go mainly to

electrical trades and, as a secondary choice, to plumbing and heating; this year, for the first time, some Anglo-Saxon students have gone into the carpentry classes. Italian students go mostly to the "trowel" trades, plaster, terrazzo, masonry, and cement finishing. Classes are given either in French or in English, depending on the composition of the class, with an overall average of 85% of the courses being given in French and 15% in English. According to the school authorities, there are no ethnic problems, and relations between the various groups are cordial throughout.

The professional organizations (Architects, Engineers and Inspection services) do not employ craft labour but employ mostly professionals or technicians. The ethnic distribution of employment of personnel of various professional and non-professional categories has been given in Tables III-11, III-13 and III-14. The principal relationships which are of interest here are those which relate to the partnership structures and the reasons for such structures, and employers' preferences in matters of employment and their ability to follow these preferences.

The majority of architectural and engineering partnerships are established on a basis of professional skills. Compatibility of personality and background is obviously a factor, but it is difficult to call this a purely ethnic factor. For example, two French Canadian architects in partnership together, were friends at architectural school, and found their architectural ideas compatible. Two Jewish partners were demobilized at the same time from the service, and decided to face the civilian future together. A partnership of three Anglo-Saxon architects was admitted to have been founded partly on a social and ethnic basis, and it is evident that the partners live essentially in the same social group, from which they derive much of

their work. Only in one instance was a mixed ethnic association deliberately formed for the sake of the mixture; in this case, a French Canadian and an Anglo-Saxon architect formed a partnership because they felt an ethnically diversified partnership would be good business and have good prospects for future growth. The other ethnically mixed architectural partnerships, as well as the mixed engineering partnerships, appear to be based on a union of skills rather than on a union of diverse ethnic backgrounds.

Engineers are more pragmatic in their outlook, and enter into their business less for social, temperamental or artistic factors than architects do. The engineering partnerships are, therefore, apparently less based on ethnic factors than are the architectural partnerships. Nevertheless, two of the French Canadian partnerships were formed for reasons which were partly ethnic and, in one of these cases, partly political. The remaining French Canadian partnerships were apparently formed for the professional and technical advantages to be gained from the associations. There appears to have been a broadening out among the larger and older firms. Two of the large and oldest established Anglo-Saxon firms have a Jew in a key senior post; similarly, the largest engineering firm in Montreal, originally having two French Canadian partners and one European partner, has now expanded to six partners, including one Jew, but no Anglo-Saxons.

It is worth noting that both in architecture and in engineering the largest and most successful firm in each profession is a multi-ethnic partnership.

The same tendency to broaden their ethnic base is in evidence in some of the technical service companies. None of the three companies designated as "Anglo-Saxon" is, in fact, completely Anglo-Saxon. All three companies

have boards of directors the members of which represent more than one ethnic group, including four French Canadians, two Jews, one Pole, and one Italian. Firms which are basically French Canadian do not appear to follow this path. Most of them are completely French Canadian. The only exceptions are the presence of one Jew on the Board of one company and one Anglo-Saxon on the board of another. The Anglo-Saxon director joined a firm which has many Anglo-Saxon clients. The Jewish director was put on the Board "to get more Anglo-Saxon business" but apparently progress has been slow in this respect.

At the salaried professional employee level, the ethnic identity between employer and employee is well in evidence, and both architectural and engineering firms follow about the same pattern. For example, French Canadian employees represent about 71% of the personnel of French Canadian architects and 83% of the personnel of French Canadian engineering firms; the corresponding figures for Anglo-Saxons in Anglo-Saxon firms are 52% and 40%, and for Jews in Jewish firms, they are 44% and 37%. Since all indications from interviews with employers are to the effect that language communication within the firm is not a problem with professionals, the figures must be taken as being largely representative of the wishes of employers. It should be noted that while the very large engineering firm of mixed ethnic ownership has a large proportion, about 50%, of French Canadian employees, the large architectural firm of mixed ethnic ownership has few French Canadian employees, particularly in the fully professional ranks. The composition of its work force is ascribed not to policy, but to difficulty in finding French Canadian architects with the kind of training that this firm's work requires.

As expressed by the architect employers, there is little preference for employees of any one ethnic group as such. However, one French Canadian states that he prefers to employ French Canadians, and he follows that preference. This man was previously an employee of an Anglo-Saxon firm in which he was scheduled for a partnership, but he preferred to start up his own business rather than be a partner in a basically Anglo-Saxon firm. Anglo-Saxon and Jewish architects do not express any ethnic preference in professional employment, but several Anglo-Saxon architects have expressed the view that the conventional training of French Canadian architects in the "Ecole des Beaux Arts" no longer corresponds to the modern needs of the profession.

The situation with engineers is little different from that with architects. Four French Canadian firms employ no Anglo-Saxons, Jews or Italians; two of them claim that this is a matter of chance, not of policy, and the other two claim that it makes for better communications. There does not appear to be an ethnic significance in the employment preferences of other engineering firms. The large French Canadian firms of diversified skills are satisfied with a balance between French Canadian and non-French Canadian employees; when hiring non-French Canadians, they tend to hire persons of other ethnic origins and hire few Anglo-Saxons, Jews or Italians. Among the smaller French Canadian firms, several have expressed a desire, purely business motivated, for a French Canadian partner; these same firms do not indicate any desire for an Anglo-Saxon partner.

Most of the Anglo-Saxon engineering firms would like to hire more French Canadian engineers, but find that they are not available to them. One Canadian-American engineering firm of English language expression, and best classed as Anglo-Saxon within the terms of this study, engaged in a

calculated programme to recruit French Canadian engineers at senior levels and at appropriate salaries, and totally failed to get any response. It seems that there is a more than adequate demand for highly trained French Canadian engineers within their own milieu, and that they generally elect to stay within it. The same problem in hiring French Canadians appears to extend to firms of ethnically mixed ownership; for example, one firm which is part French Canadian owned, part Anglo-Saxon and part Jewish but works in the English language, has, over the last five years, lost all its French Canadian employees to French Canadian firms, and now cannot hire any French Canadians.

Other firms of mixed ethnic ownership which work in both languages have increased their proportion of French Canadian engineers. Some of them have also made deliberate efforts to promote more French Canadians to senior positions. Jewish firms have no special preferences in employment and anticipate no change in present employment patterns.

For employment in technical jobs with the inspection firms, bilingualism is a more important requirement than in consulting engineering or architectural firms. This can be ascribed partly to the fact that much personal contact in the field is involved and partly to the fact that the skills involved are generally of a lower order. Professional skill alone is, therefore, not a sufficient criterion to override other practical considerations. Thus, the Anglo-Saxons employed in French Canadian inspection companies are bilingual, and bilingualism is a condition of their employment. One French Canadian employer expects to employ more Anglo-Saxons in the future, because he sees them learning to speak French, and because, in his view, their attitude to French Canadians is changing for the better.

Most of the French Canadian employees of French Canadian firms are also bilingual, so that they can service English speaking clients. By the same token, the largest Anglo-Saxon firm expects to increase its employment of French Canadians in the future to handle the French Canadian industrial clients' accounts which it expects it will develop. Another large Anglo-Saxon firm has never had any senior French Canadian personnel, and it gets very little French Canadian business.

E. THE MONEY AND CAPITAL MARKETS

The money and capital markets cannot be described in terms of a geographic delineation. In a general sense, they exist wherever those who have liquid funds meet with those in need of funds in order to effect a transfer of immediate purchasing power on mutually agreeable terms and conditions.

Chapter III has already discussed in depth the activities of the money and capital furnishers in the Montreal market. It has been shown that the major financial institutions, with only very rare exceptions, are under the operating control of Anglo-Saxon and French Canadian senior managers, with the former in the numerical and economic majority. It has also been shown that the Anglo-Saxon institutions endeavour to tap all sources of funds without regard to the ethnic ownership of the funds and attempt to place their funds in the economically optimal uses. In the face of the French Canadian resurgence in Quebec, these institutions are increasing the French Canadian content of their work forces in contact with the public and are either requiring or encouraging bilingualism among their employees in the Province. The French Canadian institutions, on the other hand, have been seen to be quite restricted as to the sources and uses of their funds. They tend to rely heavily on French Canadian individuals and organizations for their capital and to place their money with borrowers of French Canadian and Italian ethnic identity.

This section will focus on the customers of these financial institutions. In the final analysis, it is the customers, through their patronage, who determine whether or not the promotional and other efforts of the institutions bear fruit.

Many factors influence the customers' choice of any particular financial institution as a company with which to conduct business. Economic factors such as availability, cost and convenience play a part in the decision. Of no less importance are such non-economic criteria as the customers' preferences and attitudes, language skills and rapport with the branch or department manager.

A useful starting point for the analysis is Table IV-11. This table shows the banking affiliation (either Anglo-Saxon or French Canadian) of the 141 individuals and work organizations encompassed in the surveys of real estate developers, speculative builders, general contractors and sub-contractors. These are the groups in the construction industry that have major dealings in the money and capital markets. With the banking affiliation as the starting point, the other financial relationships, attitudes and preferences, and the influence of language will be discussed for each of the four work organization groupings.

Before doing so, it is instructive to consider the recapitulation at the bottom of Table IV-11. This tabulation confirms what was suspected earlier; that Anglo-Saxons and Jews deal mainly with Anglo-Saxon banks, that French Canadians deal almost to the same extent with their own banks, and that the Italians divide their patronage almost equally between the two. The percentages show, however, that the Anglo-Saxon banks deal extensively with customers from

TABLE IV-11

Banking Affiliations of 141 Work Organizations in the
Construction Industry in Montreal

<u>Work Organizations</u>	<u>Anglo-Saxon Banks</u>	<u>French Canadian Banks</u>	<u>Totals</u>
Real Estate Developers	-	2 F.C.	2
2 J		-	2
1 I		-	1
<u>2 M</u>		<u>-</u>	<u>2</u>
<u>5</u>	<u>5</u>	<u>2</u>	<u>7</u>
Speculative Builders	1 AS	-	1
3 FC		5 FC	8
6 J		-	6
<u>1 I</u>	<u>1 I</u>	<u>1 I</u>	<u>2</u>
<u>11</u>	<u>11</u>	<u>6</u>	<u>17</u>
General Contractors	6 AS	-	6
3 FC		10 FC + (2)*	13
2 J		-	2
1 I		1 I	2
-		1 M	1
<u>12</u>	<u>12</u>	<u>12 + (2)</u>	<u>24</u>
Sub-Contractors	12 AS	2 AS	14
16 FC		37 FC	53
9 J		2 J	11
4 I		7 I	11
3 M		-	3
1 O		-	1
<u>45</u>	<u>45</u>	<u>48</u>	<u>93</u>
<u>Recapitulation</u>	<u>19 AS</u>	<u>2 AS</u>	<u>21</u>
22 FC		54 FC + (2)	76
19 J		2 J	21
7 I		9 I	16
5 M		1 M	6
1 O		- 0	1
<u>73</u>	<u>73</u>	<u>68 + (2)</u>	<u>141</u>

* Two French Canadian general contractors have accounts in both Anglo-Saxon and French Canadian banks. They have been included in the Anglo-Saxon totals.

all the four major ethnic groups in the construction industry. The French Canadian banks, on the other hand, deal predominantly with French Canadian work organizations in the industry and to a lesser, but significant, extent with Italians. Anglo-Saxon and Jewish customers are noticeably in the minority.

Of the seven real estate developers, only the two French Canadian organizations deal with French Canadian banks. These two firms use Anglo-Saxon sources for intermediate and long-term money but also obtain funds from French Canadian sources. One of them indicates no preference for the institutions of one ethnic group over the other. The company's sole concern is to obtain its money at the "lowest possible cost". The second French Canadian developer deals with French Canadian institutions whenever possible. The president of this company believes that French Canadian firms should be proud of their ethnic identity and should bill themselves as such.

The five developers using Anglo-Saxon banks also obtain their longer-term money from Anglo-Saxon insurance and trust companies. They state that they do not patronize these institutions as a matter of ethnic choice. They think of them as the major source of mortgage money and have been satisfied with the business relationships that have developed.

None of the developers reports language as a problem in his business affairs. Those patronizing the Anglo-Saxon financial institutions use English in business. The two French Canadian firms use French 95 - 100 percent of the time.

The pattern among the speculative builders is much the same as for the real estate developers. The one Anglo-Saxon builder obtains his money exclusively

from Anglo-Saxon sources. The six Jewish firms bank with Anglo-Saxon banks and obtain their other funds from Anglo-Saxon insurance and trust companies and from Central Mortgage and Housing Corporation. One Jewish builder does get some mortgage money, which he estimates to be less than five percent of the total, from French Canadian sources. It was not possible to determine any overt preference or antipathy among the Jewish builders to explain their financial relationships. There does seem to be, however, a latent antipathy towards French Canadian financial institutions. One Jewish builder, for example, operating in a French Canadian milieu, states that French Canadian banks and the Caisse Populaires do not understand finance and have not learned to finance major projects. The Caisse Populaires, in his view, "only want to lend to French Canadians and do not ask for the proper information for credit purposes." This man implied that he "could get money faster from a bank in Ontario than he could from the Caisse Populaires."

The French Canadian builders reveal a statistical preference for dealing with French Canadian banks. There also seems to be an underlying psychological preference on the part of some of them, particularly the smaller builders. One of them, who is not bilingual and who obtains all of his money from French Canadian institutions and individuals, prefers French Canadian sources because he "wants to encourage his own". This man does not build in the West End of the island because "it is predominantly Anglo-Saxon."

The three French Canadian builders who do bank with Anglo-Saxon institutions present a varied pattern. One of them states that he frankly prefers "Anglo-Saxon money" because it is easier to obtain and dislikes French Canadian and Jewish credit because "the interest rates are too high". The second builder is in an Anglo-Saxon area and selected his bank mainly for its

convenience. He tries to obtain his mortgage money from "a number of different ethnic groups." The third French Canadian builder, operating in an upper-class Anglo-Saxon suburb, gets all of his money from Anglo-Saxon sources and states that he prefers to deal with Anglo-Saxon financial institutions. The French Canadian institutions, he says, are old fashioned and charge high interest rates. This builder, mentioned elsewhere in this report, is, on his own admission, basically anti-Anglo-Saxon. He encounters friction in his relationships with his Anglo-Saxon clients and does not understand why they are "at the head of important businesses when they demonstrate such incompetence".

The Italian builders, both small, could give no explanation for their financial relationships. However, the one with an Anglo-Saxon bank account prefers multilingual employees and claims to have obtained credit wherever he has asked for it. The other, who deals exclusively with French Canadian financial institutions, expressed a strong preference for French Canadians because their language and temperament are similar to his own. In fact, this man employs Italians almost exclusively and states that his accountant, field superintendent and secretary were French Canadian but have been replaced by Italians.

The banking relationships of general contractors closely parallel those already discussed. The Anglo-Saxons and Jews do not bank at French Canadian banks; the French Canadians show a marked preference for their own banks; and the Italians are divided equally between the two. Except for the Italian and mixed firm, these affiliations are carried over to bonding company relationships: all of the Anglo-Saxon and Jewish general contractors use Anglo-Saxon bonding companies and six of the French Canadian contractors who

bank with French Canadian banks also deal with French Canadian bonding companies. The Italian and mixed firm who use French Canadian banks are an exception to the pattern; they deal with Anglo-Saxon bonding companies.

To a large extent, these relationships are the result of preferences. The Anglo-Saxon and Jewish and one Italian contractor state that they prefer to obtain their funds from Anglo-Saxon sources. Eight of the French Canadian firms express a preference for French Canadian sources. The other firms claim to have no preference.

The two Italians present an interesting case. The smaller of the two, approximately of medium size, is purely Italian in character. It engages in a wide variety of construction and has a clientele consisting of Anglo-Saxons, French Canadians and Jews in approximately equal proportions. The company started its banking with a French Canadian bank but transferred its account because it found "the manager had no business sense." The other Italian general contractor is by far the larger of the two. Although the owner is Italian, the company is becoming French Canadian in character and attitude. It banks with a French Canadian bank but uses an American bonding company.

One of the three French Canadian contractors who use Anglo-Saxon banks does so as a matter of deliberate choice. The owner prefers to obtain his funds and his contracts from Anglo-Saxons and "likes the Anglo-Saxon attitude towards money." This is a small company with ambitions to grow. The other two French Canadian contractors have bank accounts in both Anglo-Saxon and French Canadian banks. They are both very large and are European owned, although French Canadian in character.

Among the sub-contractors, the only variations from the established norm for affiliations with financial institutions are that two Anglo-Saxon and two Jewish work organizations have accounts with French Canadian banks and that almost two-thirds of the Italian firms deal with French Canadian banks. In all other respects, the pattern is consistent with the one already established for the other sectors of the construction industry. The bulk of the Anglo-Saxon and Jewish firms deal with Anglo-Saxon banks, while seventy percent of the French Canadian firms deal with their own institutions.

The distribution of sub-contractor clientele among the bonding companies shows only minor exceptions to this pattern. Four of the Anglo-Saxon sub-contractors deal with Anglo-Saxon bonding companies; only one of them, a very large elevator company, uses a French Canadian bonding company. Five of the French Canadian firms deal with French Canadian banks and bonding companies; fourteen of them deal with Anglo-Saxon bonding companies although nine of these keep their accounts at French Canadian banks. All of the Jewish sub-contractors that need the services of a bonding company use Anglo-Saxon firms, even the two who have accounts in French Canadian banks. Two Italians who use French Canadian banks also use French Canadian bonding companies; three Italian sub-contractors with accounts in Anglo-Saxon banks deal with Anglo-Saxon bonding companies.

There is no single explanation for these relationships. The French Canadian sub-contracting firms, for example, whether dealing with Anglo-Saxon or French Canadian financial institutions, reveal about the same pattern as to distribution of age of firm, legal structure, work specialization and preference as to work source. If there are any differences, they are to be found in the actual ethnic origin of the work source and in the working

language. Thus, twenty-seven of the thirty-seven French Canadian sub-contractors dealing with French Canadian banks obtain their work from French Canadian general contractors and thirty-one of them conduct their business in French. Of the sixteen who deal with Anglo-Saxon banks, ten obtain their contracts from non-French Canadian sources and most of them are bilingual.

Similarly, with the Anglo-Saxon sub-contractors the two who deal with French Canadian banks conduct their business in French and have Anglo-Saxon and French Canadian clients. Eleven of the twelve Anglo-Saxons who bank with their own ethnic group conduct their business in English and nine of them obtain their work from Anglo-Saxon sources.

The four Italians with Anglo-Saxon banking affiliations obtain their business mainly from Anglo-Saxon and Jewish clients. Of the seven who deal with French Canadian banks, six speak no English and derive their work from Italian and French Canadian clients.

The Jews are in a minor sense an exception to the above for the two with French Canadian bank accounts are bilingual and work for Jewish clients. They are both quite large, with one having a sales volume between one to five million dollars and the other a volume of from five to ten million dollars. The nine Jewish sub-contractors with Anglo-Saxon bank accounts also work mainly for Jewish clients but all of them use English in their business affairs. Two of them are, however, bilingual.

In summary, it would appear that the banking and other financial relationships of sub-contractors in the money and bonding markets reflect both an ethnic preference and a business preference, and satisfaction with

existing relationships. Most French Canadian sub-contractors, for instance, like to deal with French Canadians. Others started with French Canadian banks and received satisfactory service. For some others, convenience of location was the determining factor. Only one sub-contractor says that he is not following his preferences in obtaining funds. This is a very large French Canadian firm doing business in excess of ten million dollars a year and dealing with an Anglo-Saxon bank.

CHAPTER V

CONCLUSIONS

The interview surveys which were conducted for the purposes of this study indicate that business in the construction industry in Montreal is seldom transacted on a basis that is free from ethnic group loyalty, pressure or prejudice. All four ethnic groups reveal a marked preference for employing and dealing with members of their own ethnic group, with this tendency most pronounced in the case of the French Canadian organizations.

Exceptions to this general pattern arise where there is no alternative, such as in the procurement of long-term funds, and where the general public is the buyer, such as in the case of speculatively built houses for sale. In some instances, also, the enthusiasm of Italians for dealing with their own kind is lukewarm.

As a general rule, French Canadians at all levels of the industry employ French Canadians and award work to French Canadian organizations to the maximum extent possible. They appear to collaborate easily with the Italians, possibly because of similarities in religion and temperament. They discriminate against Jews and do not reveal any desire to engage in business with them. They do not award much work to Anglo-Saxon organizations but would like to acquire more work from Anglo-Saxon industrial and commercial sources and from the Federal Government, which they look upon as an Anglo-Saxon institution.

The Anglo-Saxons in the industry reveal an essentially non-aggressive attitude, compatible with old established patterns, but involving a much less parochial view of business than that evidenced by French Canadians. Anglo-Saxon institutions are attempting to come to terms with the aspirations of French Canadians in the Province of Quebec. In the financial institutions, in particular, deliberate efforts are being made to employ bilingual personnel, who are usually French Canadian, where the institutions are in contact with the public. There is less of an effort to employ French Canadians in Anglo-Saxon contracting firms, probably because these organizations obtain most of their work from Anglo-Saxon sources. Anglo-Saxon professional firms have tried to increase the French Canadian content of their staffs, but have had only limited success.

The Jews are the entrepreneurs of the industry, being most active in real estate development and speculative building. They award their work to Jewish and Anglo-Saxon organizations in the different levels of the industry whenever possible but, in the subcontractor sector of the industry, are obliged to award some of their work to French Canadians and Italians. On the other side of the coin, the Jews express a strong belief, supported by the evidence, that they are totally excluded from French Canadian business and that most other doors are closed to them.

Italians are not found in all sectors of the industry. They are totally absent as owners and principals in finance, professional engineering and inspection services, and are virtually absent from architecture. Their selling strength lies mostly in the sub-contractor services market where their acceptance appears to be universal.

The narrowness of view which is so prevalent in the Montreal construction industry is, perhaps, related to the fact that many of the work organizations are small and confine their activities to the Province of Quebec or, in many cases, to the Island of Montreal. Certainly, it is the firms that conduct operations outside of Quebec or have ambitions to grow that were found to be the least parochial in their attitude. Thus, as already indicated, the major financial institutions, all of whom conduct their affairs on a national scale, are adjusting to the political and social realities in the Province. Some of the large engineering, architectural and construction firms, many of which have clients or projects in other provinces and other countries, are also free of ethnic prejudice. In this connection, it is significant that of all the French Canadian firms interviewed only one, a financial institution, evidenced any desire to expand its operations outside of Quebec.

From the foregoing, and from the study as a whole, three conclusions emerge. First, while certain specialties are the domain of one or other of the ethnic groups, the construction industry as a whole is not dominated by any one ethnic group. Second, work relationships between the different ethnic groups in the industry are constrained by a parochial attitude which is found in all segments of the industry, with the degree of parochialism varying inversely with the size of the firm. This is particularly unfortunate for the French Canadians and Italians, most of whose organizations are small, because parochialism and business growth seem to be mutually exclusive. Third, the existing structure is not likely to change markedly nor are existing relationships likely to improve in the near future. Rather than drawing closer together, the main ethnic groups

in the industry are, if anything, drawing increasingly into themselves. This tendency is most noticeable in the French Canadian sector of the industry but is now spreading to the other sectors.

A P P E N D I X A

A Description of the Project as it was Finally Approved*

"The ethnic structure of the construction industry in the Metropolitan Montreal area, with special reference to the French, Anglo-Saxon, Italian and Jewish groups in the industry.

"More specifically, the study will attempt to ascertain the following facts and relationships:

- (1) The ethnic composition of the major work elements which, together, constitute the construction industry.
- (2) the extent to which specialization can be related to ethnic factors.
- (3) the interrelationships of the major ethnic groupings, the ways in which they work together, and the extent to which their interrelationships can be related to their ethnic make-up.
- (4) the pattern of change over time, if one exists and is determinable, in specialization and in group interrelationships."

* From the Memorandum of Agreement between the Royal Commission and Professor Peter C. Briant, dated May 3, 1965.

A P P E N D I X B

Notes on Selection of Samples

Because of the size of the industry, it was not possible to interview every firm in each class of work organization. The only exceptions were in the technical and inspection services, where the nine firms interviewed represented essentially all the firms in that category, and in the financial institutions where the selections were made as representative as possible on the basis of judgement and experience.

For each of the other work organizations, a sampling was prepared which was designed to give suitable coverage for each ethnic group involved, and at the same time give reasonable weight to the distribution within the work organizations both of the ethnic groups and of the functional sub-classifications. The final sample selection, being rather small, generally represented a compromise between statistical method and a selection influenced by specific knowledge of the industry and by the need to have within the sample some representation for all significant component elements.

The following is an outline of the methods of selection for the work organizations interviewed and for the 45 projects which were selected for study in depth:

General Contractors:

The list of the 119 general contractors in the Metropolitan Montreal area was prepared from the directory of the Montreal Construction Association, supplemented by reference to the annual directory published by the trade

newspaper of the industry, the Daily Commercial News. The list was then divided into three groups, representing respectively the large, medium, and small firms, in accordance with the criteria established for the study. This sub-classification was first prepared by the research staff and was checked and amended where necessary through the cooperation of the Montreal Construction Association. Within each sub-classification, the ethnic character and the work specialty of each firm were established. Five ethnic classifications were used: French Canadian, Anglo-Saxon, Italian, Jewish, and Foreign owned or Mixed ownership. Five specialty classifications were used: Buildings, Heavy Construction, Industrial Construction, Road Construction and Other Construction, e.g. sewers, watermains, pile driving.

Sampling was done separately in each size classification, using a random method for each ethnic group. A supplemental check was made to see if the random sample gave adequate representation to the various specializations, and, where considered necessary, additional random samples were taken to round out the representation in the total sample. It was originally intended that the sample contain 25 firms, of which nine would be large, eight medium, and eight small, in accordance with the following distribution representing reasonably the numerical strength of the various ethnic groups in each category:

<u>Ethnic Category</u>	<u>Size of Firms</u>			<u>Total Firms</u>
	<u>Large</u>	<u>Medium</u>	<u>Small</u>	
French Canadian	3	4	2	9
Anglo-Saxon	3	2	1	6
Italian	-	1	1	2
Jewish	1	1	1	3
Others	<u>2</u>	<u>8</u>	<u>8</u>	<u>25</u>
	<u>9</u>	<u>8</u>	<u>8</u>	

Some changes were indicated after this distribution was selected. One of the small firms had gone out of business and two of the others, including the Anglo-Saxon firm, could not be located. The Italian firm refused to be interviewed. The firm which was thought to be Jewish turned out to be French Canadian. The sample of small firms was thus reduced to five firms, all French Canadian. Rather than find substitute firms in this minor field, it was decided that the purpose of the study would be better served by increasing the size of the sample of the large firms. There was no Italian firm represented, and one was introduced; one French Canadian firm and one Anglo-Saxon firm were also added. The sample for the medium size firms was maintained as originally intended. The final interview sample thus consisted of 24 firms distributed as follows:

<u>Ethnic Class of Ownership</u>	<u>Size of Firms</u>			<u>Total Firms</u>
	<u>Large</u>	<u>Medium</u>	<u>Small</u>	
Anglo-Saxon	4	2	-	6
French Canadian	4	4	5	13
Italian	1	1	-	2
Jewish	1	1	-	2
Mixed or Other	1	-	-	1
	<u>11</u>	<u>8</u>	<u>5</u>	<u>24</u>

Sub-Contractors:

The starting point of the sub-contractor sampling was a complete set of cards furnished by the Construction Industry Joint Committee of the Region of Montreal giving the names of all sub-contractors active on September 25, 1964, classified by trade. These cards were then sub-classified in accordance with the ethnic identity of the owner or owners. When this could not be established, the ethnic character of the firm was marked as "Unknown". This process encompassed

a total of 3931 firms. Their classification by trade and by ethnic category of ownership is given in Table III-4.

In obtaining a sample, only the four major ethnic categories of Anglo-Saxon, French Canadian, Italian and Jewish were considered for all trades except for the painters, where the "Other" ethnic category represented the largest group and was, therefore, also taken into consideration. From each trade, one firm was selected from each of the four ethnic groups, whenever there was representation in that trade. Sampling within each ethnic group and trade was done at random. This procedure yielded a sample of 55 firms as can be deduced from Table III-4. The addition of a painter from the "Other" category brought it to 56. The number of samples was increased to a theoretical 100 by adding further samples to give adequate weight to the important trades and to the important ethnic groups within these trades. Preliminary contact was then made with the selected firms. In some instances, it was not possible to contact them, in others they were too small to have any worthwhile information to impart, and in others they were not interested in the subject. When a firm was eliminated, it was replaced whenever possible by another firm selected in accordance with the same criteria. From the final list of 100 so prepared, a total of 93 completed interviews were achieved, as detailed in Table III-5.

Architects:

The sampling was based on a list of all architectural practices in the Montreal area, obtained from the 1964 annual catalogue of the Royal Architectural Institute of Canada. The names were further checked against the membership list of the Province of Quebec Architects Association.

The list, totalling 219 firms, was divided into 71 partnerships and 148 individual practices. Each group was taken separately for sampling. For the individual practitioners, one sample was selected at random from each of the four major ethnic groups. One non-Canadian Anglo-Saxon architect was added to the list because of his importance in the profession and his willing cooperation. Another Anglo-Saxon Canadian architect was also added because he was interviewed in connection with one of the projects and volunteered to complete the general architect questionnaire.

In the partnership practices, the Italians are not represented. Two firms from each of the other three ethnic groups, and two firms of mixed ethnic partnership composition were selected. The firms were selected on the basis of their importance and experience in the judgement of the research director.

Consulting Engineers:

The Corporation of Engineers of Quebec furnished a list of consulting engineers in the Montreal region, active in the field of construction. The firms were classified in accordance with the ethnic affiliation of the owner or partners, and in accordance with the field of professional specialization of the firm. The classification of firms by ethnic character of ownership was as follows:

French Canadian	70
Anglo-Saxon	28
Jewish	17
Italian	-
Mixed	11
Unknown and "Other"	<u>19</u>
	<u>145</u>

The 19 in the Unknown and "Other" classification were ignored. It was decided to select twelve firms from the others, on the basis of proportionate ethnic

representation. This yielded a distribution of six French Canadian, three Anglo-Saxon, one Jewish firm, and two firms of mixed ethnic composition. From each group, one firm was selected because of its importance and experience in the profession, and the others were selected on a random basis within their group by use of a random table. Finally, one French Canadian firm interviewed in connection with a project offered to give more complete information, and its name was added to the interview sample, making a total of 13 firms interviewed.

Real Estate Developers:

The list of 25 Real Estate Developer organizations was compiled from a combination of personal knowledge of the research staff, analysis of the records of the building permit department of the City of Montreal, and consultations with executives of three major lending institutions. The composition of the 25 firms was as follows:

Jewish	17
Anglo-Saxon	1
French Canadian	3
Italian	2
Mixed	
(Anglo-Saxon and Jewish)	2
	<u>25</u>

Statistical methods could not be used in such a small field, and the sampling was made on a judgement basis. Three Jewish firms were selected for interview, two French Canadian, two "mixed" and one Italian. It was felt that the two "mixed" firms, both part Jewish, together with the three Jewish, gave adequate weight to Jewish preponderance in this field. The one Anglo-Saxon firm was not interviewed because it had only accomplished

one project, had none in preparation, and, although large, it had changed so much since the inception of the project that it had no useful information to offer.

Speculative Builders:

The list of 249 speculative builders active in the Montreal area was established on the basis of information obtained from the following sources:

- 1) The Montreal Home Builders Association.
- ii) Central Mortgage and Housing Corporation - loans approved in 1964 in the Montreal area.
- iii) City of Montreal -building permits issued in 1962, 1963, and 1964.
- iv) Seventeen suburbs - building permits issued in 1962, 1963, and 1964.

The following ethnic breakdown was derived from the list of 249 firms:

French Canadian	126
Anglo-Saxon	4
Jewish	59
Italian	18
Others	6
Unknown	<u>36</u>
	<u>249</u>

The "Unknown" group was ignored in the sample selection, being made up of small companies difficult and sometimes impossible to contact.

From the above ethnic groups, a representative sample was selected as follows:

Eight French Canadian firms:

three selected because of their size, the other five selected at random.

Six Jewish firms:

two large, two medium, two small firms, selected at random within their size group.

Two Italian firms: selected at random.

One Anglo-Saxon firm.

The proportion of Jewish to French Canadian firms in the sample is much greater than the numerical proportion of Jewish to French Canadian firms. This reflects the fact that the average Jewish firm is larger than the average French Canadian firm.

Forty-five Projects:

The proportion of projects of various categories was governed by the value of building permits issued in the Montreal area. A distribution based on DBS reports and covering the years 1962, 1963 and 1964 yielded the following average distribution of values:

Residential	53%
Industrial	7%
Commercial	20%
Institutional and governmental	<u>20%</u>
	<u>100%</u>

It was decided that governmental projects as such did not really constitute "projects" in the same sense of vertical structure as did the others, since the construction contracts were obtained on an open competitive basis. In order to cover these governmental projects, six projects were selected: one at random from subway tunnel construction; one at random from subway station construction; two major provincial expressway projects, one provincial building project and one federal building project, these four projects being selected from the small number available for study.

The other 39 projects were allotted on a weighted basis with the following distribution:

Residential	18 projects
Industrial	3 projects
Commercial	9 projects
Institutional	9 projects
	<u>39</u> projects

Since residential construction is divided approximately equally in value between houses and apartments, nine projects were assigned to home building and nine to apartment construction. Home building projects were further sub-divided into three sub-categories: Large projects (over \$750,000), small projects (under \$750,000) and duplexes (projects where each house is designed for two families). The distribution of projects in these three sub-categories by ethnic identity of the builder was as follows:

	<u>Anglo-Saxon</u>	<u>French Canadian</u>	<u>Italian</u>	<u>Jewish</u>	Other or Unknown
Small projects:	-	34	5	47	13
Large projects:	-	4	1	24	1
Duplexes:	<u>1</u>	<u>64</u>	<u>27</u>	<u>40</u>	<u>13</u>
	<u><u>1</u></u>	<u><u>102</u></u>	<u><u>33</u></u>	<u><u>111</u></u>	<u><u>27</u></u>

Selection was made at random from the various ethnic groups in each of the three sub-categories as follows:

	<u>Total</u>	<u>Anglo-Saxon</u>	<u>French Canadian</u>	<u>Italian</u>	<u>Jewish</u>
From small projects	3	-	1	1	1
From large projects	3	-	1	1	1
From duplexes	<u>3</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
	<u><u>9</u></u>	<u><u>1</u></u>	<u><u>3</u></u>	<u><u>2</u></u>	<u><u>3</u></u>

Apartment house projects were divided into large urban projects (\$1,000,000 or over), small urban projects, and suburban projects. The ethnic distribution was as follows:

	<u>Anglo-Saxon</u>	<u>French Canadian</u>	<u>Italian</u>	<u>Jewish</u>	<u>Other, Mixed or Unknown</u>
Large Projects	-	1	3	14	13
Small Projects	-	11	-	1	45
Suburban Projects	<u>-</u> <u>0</u>	<u>8</u> <u>20</u>	<u>4</u> <u>7</u>	<u>26</u> <u>41</u>	<u>9</u> <u>67</u>

The final sample of nine was obtained as follows:

For large apartment projects, one Jewish owned project at random, the one French Canadian owned, and one of mixed ownership. For small apartment projects, the builders in all ethnic categories including the "Unknown" were contacted at random and asked about their ethnic origin. One was French Canadian and the others Jewish. The French Canadian builder and the first two Jewish respondents were selected. For suburban apartments, one French Canadian, one Italian and one Jewish builder were selected at random.

The final sample was, therefore, as follows:

	<u>Total</u>	<u>French Canadian</u>	<u>Italian</u>	<u>Jewish</u>	<u>Mixed</u>
Large Projects	3	1	-	1	1
Small Projects	3	1	-	2	-
Suburban Projects	<u>3</u> <u>9</u>	<u>1</u> <u>3</u>	<u>1</u> <u>1</u>	<u>1</u> <u>4</u>	<u>-</u> <u>1</u>

Industrial projects were classified according to the ethnic affiliation of ownership, as given hereunder:

<u>Anglo-Saxon</u>	<u>French Canadian</u>	<u>Italian</u>	<u>Jewish</u>	<u>Others, Mixed or Unknown</u>
30	12	1	16	18

One Anglo-Saxon, one French Canadian, and one Jewish project were selected at random.

Commercial projects were classified by type of project as well as by ownership, as follows:

<u>Type of Project</u>	<u>Ownership</u>				
	<u>Anglo-Saxon</u>	<u>French Canadian</u>	<u>Italian</u>	<u>Jewish</u>	<u>Mixed or Unknown</u>
Office Buildings	1	9	2	16	2
Shopping Centers & Stores	-	-	-	6	1
Hotels and Motels	<u>3</u>	<u>4</u>	<u>-</u>	<u>2</u>	<u>1</u>
	<u><u>4</u></u>	<u><u>13</u></u>	<u><u>2</u></u>	<u><u>24</u></u>	<u><u>4</u></u>

From the above a representative sample of nine projects was selected: One Italian, two French Canadian and two Jewish office building projects; two Jewish shopping center projects; one Anglo-Saxon and one Jewish hotel project.

Institutional projects were sub-divided into educational projects (schools and universities), hospitals, and churches or church sponsored projects. In the educational projects, one sample was taken at random from McGill University projects, as evidenced by the building permit issuances, one similarly at random for a University of Montreal project, and one at random for a public school under the Catholic School Board of Montreal. One Anglo-Saxon and one French Canadian hospital project were selected at random from building permit records, and one Jewish hospital project from personal knowledge, as there were no building permits issued in the past three years. The sampling was completed with one synagogue project and one Protestant church.

Out of the 45 projects so selected, interview data were secured for 43. One Italian housebuilding project was dropped because of lack of cooperation

from the builders, and the Protestant church project was not studied as the minister could not be reached at the appropriate times.

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